

TRENDS IN AUSTRALIAN POLITICS

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PREFACE

THE third Summer School of the Australian Institute of Political Science was held in Healesville, Victoria, as part of the Melbourne Centenary Celebrations. Seven papers were read at the school, all of which are published herein, together with a summary of the discussions which they provoked.

An endeavour was made in this year's school to confine discussion to more or less immediate problems confronting Australia. Even so, it was found necessary to devote one session to papers dealing with historical developments during the past generation; and another session to an examination of the principles of representative government, and their validity and adequacy in the modern world.

Those, however, who pride themselves on being "practical" will find much to their taste in the papers suggesting improvements in our legislative and administrative machinery, and much to ponder over in those papers which discuss, realistically, the working and financing of our political parties. In particular, they should consider the effects of the radio on our political life, which are here examined for, perhaps, the first time in Australia. It must be obvious to all who read this book that broadcasting is big with possibilities, both for good and for evil.

That all its effects will not be evil is suggested by the wise and generous policy being pursued by Station

2GB in Sydney. Not only has this station its own expert political commentator, but it invites the Institute of Political Science periodically to address its listeners on public questions. Four of the papers delivered at the Healesville Summer School were summarized into radio talks over 2GB, and the series was concluded with a summing-up by the station's own commentator. If, on the one hand, the radio tends to ruin electioneering meetings, it may, on the other hand, do something to inform electors in the quiet of their own homes, and this not merely during a hectic electioneering campaign, but throughout the year.

W. G. K. DUNCAN.

*Australian Institute of Political Science,
March, 1935.*

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THE HISTORICAL DEVELOPMENT OF AUSTRALIAN POLITICAL PARTIES

I. By MAURICE BLACKBURN

THE first session of the Commonwealth Parliament began on May 9, 1901. On the previous day a number of members "favourable to the formation of a Commonwealth Labour Party" met and constituted that party. About a fortnight later the party adopted rules and a policy.

Most of the men had been elected upon a platform framed, more or less informally, by representative Labour bodies. They had been endorsed by those bodies. Most of them had some Parliamentary experience. The six from New South Wales had left their State's Assembly to contest the Federal elections. Three other members had been Colonial Ministers. Of these one had been, for a few days, Premier of Queensland. Labour's success had been greatest in Queensland, where party lines were most clearly drawn. In South Australia and Victoria, the Labour Party had been so long in alliance with the more democratic of the larger parties that the electors were unwilling—or unable—to distinguish between "Labour men" and "good-as-Labour men".

The Commonwealth Party decided to sit on the cross-benches. This meant that it would adopt the position successfully taken by Parnell in Britain and, after

him, by Labour in New South Wales. The industrial conflicts of the early nineties had taught trade unionists that, in the heat of class struggle, Liberals became fused with Conservatives into an anti-Labour mass, ready to crush Labour with all the forces of the State, military as well as civil. Just as in Britain both parties were at heart hostile—or indifferent—to Ireland's national aspirations, so in Australia both parties, as parties, were hostile or indifferent to Labour's claims. The workers of New South Wales readily applied the Parnellite principles. But the very thing that made Parnell's methods applicable in New South Wales made their application difficult. Upon the tariff there was in New South Wales a genuine difference, vertically dividing the upper, middle, and lower social layers. There were Conservative Free-traders allied with Liberal Free-traders. There were Conservative Protectionists allied with Liberal Protectionists. The line of division was not a class-line. If the Labour Party could "sink the tariff issue", it could indifferently use either of the larger parties. But the tariff issue divided Labour. The single-taxer strove with the *Bulletin* reader. The first great electoral gains were dissipated in a struggle over the tariff. Nothing could really be done until, after the see-sawing between pledges that bound to nothing and pledges that bound to everything, a generally acceptable formula was found. The New South Wales organizations evolved a pledge binding members to vote together whenever a duly convened party meeting might deem unanimity to be necessary. The discipline thus secured made the party, in the last five years of last century, the real rulers of New South Wales. It made and unmade Cabinets. It extorted from the

major parties the enactment of a land and income tax, and of old-age pensions, and forced forward the proposals of female suffrage and industrial arbitration.

Following the New South Wales policy, Commonwealth Labour made it clear that, in choosing between Barton and Reid, it would choose the man who would do the more and go the farther to advance Labour policy. This policy was set out as follows:

- 1.—A White Australia Policy.
- 2.—Adult Suffrage.
- 3.—Old-age Pensions.
- 4.—A Citizen Army, and
- 5.—Compulsory Arbitration.

This policy was not advocated by Labour men only. In each of the larger parties there were sincere supporters of most, if not all, of it. Most of it was stated brilliantly and cogently by James Edmond in the *Bulletin's* "A Policy for the Commonwealth". A group of Victorian Protectionists, inspired and led by the *Age*, were, in theory and action, hardly distinguishable from Labour men. Charles Cameron Kingston, a member of the Barton Ministry, was a dynamic radical who would, of his own volition, have gone possibly farther than Labour. Had he not represented a small State, he would probably have been the first Prime Minister of Australia. A Ministry which included Kingston would naturally have some leaning to Labour and some reason to expect the support of Labour. The presence of Kingston in the Barton Ministry turned the scale against Reid.

Except during short intervals of time, the Labour Party's control of the Commonwealth was, during the first decade, undisturbed. Sometimes the Liberals

ruled with Labour's support. Sometimes Labour was in office with Liberal support. But whether it was steered "from the steerage" (George Reid's gibe) or from the bridge, the ship of the Commonwealth pursued a course marked out by Labour. This great success of Federal Labour was reflected upon the State Parties. Strong organizations developed in Western Australia and Tasmania. The Victorian Party consolidated itself, adapting the New South Wales scheme of organization to the hardly different Victorian conditions. The generally accepted model of government by a Conference, representing branches and affiliated unions, became crystallized in the present form. Between conferences, party affairs were administered by Executives or Councils, whose constitutions were not uniform.

The development of Labour forced into one camp Liberals and Conservatives. Labour was becoming everywhere, in the States, the direct opposition, receiving attention and consideration accordingly. It held office in Western Australia. Growth in the States had a refracting influence upon the Commonwealth Party. Everywhere Labour looked forward to a time when, with a majority of its own, it would rule the Commonwealth. Short shrift was the fate of a half-hearted plea by the Federal Parliamentarians that immunity from Labour opposition should be granted to a handful of advanced Liberals. To the argument that these men had proved themselves willing to maintain a Labour Government in office, the State organizations replied that those men held seats that Labour could win and would win. (In the not-very-long run Labour won nearly all of them.)

The Federal Party adopted a pledge upon the New

South Wales lines, but requiring unanimity on only those questions that might affect the platform. Upon these, members were to vote as might be deemed best by the party meeting. This left to the Parliamentarians the privilege of interpreting the platform. The platform was framed by Federal or Interstate Conferences. Upon these the States had equal representation. Each State chose its representatives as it thought best, but the normal method was selection by a State Conference. Till 1915, there was no other Federal machinery. The State organizations retained their original names. "The Political Labour Council" was the Victorian name. New South Wales adopted the title of "The Political Labour League". In South Australia the party was called "The United Labour Party". The Western Australian movement combined industrial and political activity in the one body, "The Australian Labour Federation". Queensland and Tasmania preferred the rather colourless name, "Workers' Political Organization". The State organizations decided what seats should be contested, and gave or withheld endorsements. In fact, Federal endorsements of sitting members were renewed—almost as a matter of course. No conflict between the organization and the Federal Parliamentary Party was then imaginable. The prestige of the Federal Party was enormous. It had been unscathed by the splits and breakaways which still disturbed the State Parties. Thousands of people voted for Federal Labour and against State Labour. So long as the Federal Party was up and doing, it was left free to choose its own methods and its opportunities.

In 1905 the movement adopted an objective, indicating the nature of the party and the course it sought

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to pursue. Was the Labour Party to be an Australian national party, with an economic basis of trade unionism and a consequent leaning to the organized industrialists, experimentally using governmental action to improve the conditions of the people, but nevertheless accepting the present industrial system as unchangeable and enduring? Or should it take its place as part of the great Socialist International, inspired and taught by Marx and Engels?

New South Wales first, and later the Commonwealth adopted the following objective:-

"(a) The cultivation of an Australian sentiment, based upon the maintenance of racial purity and the development in Australia of an enlightened and self-reliant community;

"(b) The securing of the full results of their industry to all producers by the collective ownership of monopolies, and the extension of the industrial and economic functions of the State and municipality."

This satisfied the Fabian Socialists but not the Marxists. Independent Socialist groups sprang up, denouncing the Labour Party, fighting it at elections, fruitlessly appealing to the Second International for recognition as the true representative of Socialism in Australia. (The Second International preferred to wait in vain for the affiliation of the Australian Labour Party.) Years after, the surviving adherents of these groups formed the Communist Party.

When, in 1908, the Federal Labour Party took office for the second time, it decided that Ministers should be chosen from Federal members only. (The leader of the party became Prime Minister without special election.) This precedent has been consistently

followed. The leader is elected at the beginning of each Parliament. He may be—but never has been—removed from office by the party. On a reconstruction of the Cabinet, a fresh choice of Ministers is made. In 1931, the party decided to reconstruct the Ministry, and some who then held office were rejected.

Anti-Labour unity in the States was followed by anti-Labour unity in the Commonwealth Parliament. The resulting fusion was unpopular and was badly beaten at the ensuing election (1910). In that year Labour gained a majority in the State Parliament of New South Wales. An ominous division of opinion began in that State. With great majorities in each Chamber, the Federal Parliamentary Party found itself checked by the "made-in-America" principles upon which the High Court was then interpreting the Constitution. The party insisted—and the Federal Conference agreed—that it must at once seek new powers from the people. The State Parliamentarians were up in arms. Their State was the most industrialized; their party was well disciplined and bound to grow; there were no constitutional checks and, except where its own existence was at stake, the Legislative Council was not considered an insuperable bar to progress. Holman claimed that, on the whole, Labour rule was more likely to be continuous and fruitful in his State than in the Commonwealth. He urged that the proposed alterations, if carried, would deprive the State Party of power to do those things which most vitally interested its supporters and most readily stirred them to effort and sacrifice. But the State Conference of New South Wales was not convinced by him. It agreed with the Federal Party. Holman and his adherents were threatened with deprivation

of Labour endorsement if they failed to support the proposals. In the course of the Conference discussion the following resolution, pregnant with meaning and fate, was moved by Mr Hughes:

"That, in order to preserve the solidarity of the Labour movement, Conference decides that the sole right of interpreting the planks of the Federal and State platforms rests with Conference, but that until Conference has exercised its right, the power rests with the State and Federal parties."

The 1915 Federal Conference constituted a Federal Executive. This body, directly—and equally—representing the State Conferences, was declared "the administering authority in carrying out the decisions of the Interstate Conferences and in the interpretation of the Constitution". (The platform is part of the Constitution.) The Federal Executive is really the only part of Labour's machinery that has failed to stand a strain. In practice it has been constituted of men who have sufficient leisure to enable them to meet anywhere in Australia and at any time. Such men are few. The Federal Executive has tended to be composed of Parliamentarians and party officials—all with an eye on the Federal elections and a willingness to avoid deciding awkward questions. It began its career by excusing Hughes's jettisoning of the 1915 Constitution Alteration Bills. In the great crisis which I shall next describe, it did not function at all.

The war forced upon the Labour Party new and distracting problems. The Labour Party was pledged to adhere to the principles of the then existing Defence Act. One of the clauses of that Act—inserted on the demand of Labour—provided that no man might be compelled to serve overseas. Hughes had been a

staunch supporter of that principle. But he was heart and soul for Australia's participating, to the utmost, in the Great War. In response to questions, he pledged himself in no circumstances to compel overseas service. But during his absence in Britain early in 1916, organized Labour felt that it could no longer put its trust in politicians or pin its faith to their promises. The Western Australian State Conference had been persuaded to give members a free hand on the issue of conscription. Labour members were attaching themselves to Universal Service Leagues. That section of the Press, which is most usually friendly to Labour, was ardently conscriptionist. In Easter week, 1916, the State Conferences of Victoria and New South Wales declared that conscription was against the party's policy, and directed their Executives to deny future endorsements to any supporters of the condemned policy. (Thus was Mr Hughes's own doctrine used against himself.)

Arriving from England Hughes found the Parliamentary Party hostile to conscription. In Queensland, New South Wales, and Victoria, most Federal members had given their Executives written pledges to oppose compulsory overseas service. Out of touch with Australian developments and believing that Labour voters would follow him, even in a struggle with their organizations, Hughes referred the matter to a popular vote. Failing to conciliate the Executives, he decided to neutralize their influence. In practice, the daily Press is the only effective medium of communication between the party authorities and the party followers. A rigorous censorship suppressed where it could suppress, distorted where it could not suppress, the declarations and appeals of the Executives.

In the circumstances the only effective appeal was prompt and vigorous action. The Eastern Executives expelled their conscriptionist members.

After the vote, the Federal Parliamentary Party disowned Hughes who, with the other conscriptionists, marched out to form a National Labour Ministry. He and his followers had united with the conscriptionist Liberals in the National Federation. Before the year closed, a Special Federal Conference had expelled from the Federal Party all who had supported conscription or who had joined the National Federation. (In so doing, the Federal Conference overrode the decision of the Western Australian State Conference. This was really the first assertion of the Federal authority's claim of power to review the decisions of State authorities.) A few conscriptionist State members adhered to the party, accepted its decisions, and, at the second referendum, opposed conscription. But the majority of conscriptionist members, State and Federal, retired or were excluded from the party. In Queensland and Victoria the defections were few. But through every State the line of cleavage ran, dividing not only representatives but also electors. For a time it was feared that the party might not maintain its right to the traditional name "The Australian Labour Party". The Federal Conference of 1918 decided that, in future, that name should be officially adopted, and that each State organization should be described as a division of the Australian Labour Party. But the fear was groundless. For a while the ex-Labourites clung to the description "National Labour". But this did not last long. Many of their supporters returned to their old love: those

who did not, became, like the ex-Labour members, indistinguishably merged in the Nationalist Party.

The war and the conscription campaign revived the movement towards Socialism and greater militancy. While the party's anti-conscriptionist stand had lost it many old supporters, it had attracted many who had no training in the movement and no fundamental sympathy with its ideals. But every day the genuine Labourite was becoming more and more conscious that Australia was no longer isolated, that her problems were but aspects of world problems, and that she was no longer in the van of progress. New South Wales was the battle-ground between the moderates and the extremists, the Parliamentarians and the industrialists. The electors of New South Wales have a definite, but not consistent preference for Labour. It is easier to win an election in New South Wales than anywhere else. But a Labour Government is more likely to be defeated in New South Wales than anywhere else. A sincere attempt to carry out Labour's policy has almost invariably brought the attempting Government to defeat. A win for the moderates forced out of the party the defeated industrialists. But whatever happens in New South Wales affects the whole movement. The Trade Union Movement took charge. An All-Australian Trade Union Conference devised a new and frankly Socialist policy for the party. The State Conferences agreed to recommend this to the Federal Conference. Almost immediately a Federal Conference considered it and adopted it—not as an immediate policy, but as the common objective of both the Federal and State Parties. It stands at the head of the platform. The seceding industrialists were satisfied.

- They sought and obtained readmission to the party. At once the struggle revived.

• Throughout Australia, Labourites were feeling that the movement could not look and pass on whilst New South Wales was torn by conflict. The 1924 Federal Conference armed the Federal authorities with new and far-reaching powers. The party organization became hierarchical in structure. The Federal authorities were empowered to hear appeals from State decisions, and, on their own initiative, to exercise plenary power in any State matter which they might regard as affecting the general welfare of the movement. In 1926, this power was exercised for the first time. Dissensions in New South Wales induced the Federal Executive to intervene. It took control, removed the existing Executive, and set up another in its stead. The removed officials continued to function. Each body endorsed and expelled members. The first Lang Government faced an early election with everything at sixes and sevens. A Federal Conference in 1927 ordered the convening of a State Conference with adequate provision for free election of delegates and impartial chairmanship. This body decided unequivocally in favour of the removed Executive. From that time the industrialists have been uppermost in New South Wales.

The next stage begins in 1931 after the Parkes by-election. Taught by defeat to believe that the policy of the Federal Government would not satisfy New South Wales the State Executive proceeded to frame its own policy. Upon this it determined to conduct the next by-election. East Sydney became vacant. Ward ran, with the endorsement and upon the policy of the State Executive. The Federal Executive

declared that no Federal Labour candidate could run except upon a policy approved by the Federal organization. Ward won, but was excluded from the Federal Party. Several other New South Wales representatives went out with him. The party having lost Lyons and his friends to the Right, now lost Beasley and his colleagues to the Left. A Federal Conference was convened. But no delegate from New South Wales attended. Conference disowned the State organization and entrusted to the Federal Executive the task of reorganizing Labour in New South Wales. A new organization sprang up. But it made no headway. Doomed from its birth to engage in unequal strife with the idol of the Sydney industrialists, it increased its own difficulties by defending or apologizing for the detested Premiers' Plan. No State members adhered to it; it could win no new seats; and, in the two bites of 1931 and 1934, its Federal representatives were devoured.

The policy known as the Premiers' Plan plunged Labour into the second of its greater crises. Australian Governments, Federal and State, Labour and anti-Labour, agreed upon an economy scheme. This scheme—known as the Premiers' Plan—called for the reduction of invalid and old-age pensions, and of Government salaries and wages. It was inseparably connected with the policy of wage-reduction adopted by the Federal Arbitration Court. Before the Federal Parliament could enact its part of the Plan, the Federal Executive hastily met. No one liked the Plan. But men felt that things had gone too far to justify the Executive in deciding the issue. Denunciation and repudiation would discredit the Labour Governments who were parties to the agree-

ment. The Federal Executive decided that the Plan did not conflict with the platform, gave every member a free hand, and prayed for unity. When the proposals were introduced, they were carried by a section of the Federal Labour members voting with the Opposition.

Upon the heels of this action came a Special Federal Conference, demanded by the States. At this the President ruled that the Premiers' Plan was against the Labour platform. A resolution was carried disowning the Plan, emphasizing the need for unity and forbidding members, State as well as Federal, to support "further reductions". But as the necessary Federal legislation was permanent, this declaration had, Federally, no significance. In the States, where the legislation required annual renewal, it had an important effect. Labour in Victoria had been overwhelmingly anti-Plan. The State Conference adopted the Federal Conference's decision, and whilst, in effect, passing an Act of Oblivion for the past offences, forbade further reductions. Enforcement of this resolution led to the exclusion of several members, including the Premier and two of his colleagues. In South Australia, Parliamentarians and Conferences have been at war. Most of the Parliamentary Party had supported the Plan and were expelled. But the prestige of the expelling State's authority had been weakened by the rise of the Lang Labour group. After a State election, unity was effected. This was too late for the Federal elections. The memory of dissension was too vivid to make whole-hearted co-operation possible. In States where the Premiers' Plan was sponsored by anti-Labour Governments, the Labour Party gained. "Plan" Governments were defeated by Labour in Western Australia, Tasmania, and South Australia,

The immediate task of the Labour Party is to restore New South Wales to its place. A fresh balance between the centripetal forces and the centrifugal forces must be struck. State Conferences are naturally much nearer the rank and file than the indirectly chosen Federal authorities. "Near is my shirt but nearer is my skin." Plans of organization must satisfy—not standards of logical symmetry but the needs of men and women. The real test of their efficacy is to get themselves accepted as natural and necessary. But the predominant position of the Commonwealth and the reactionary strength of the State Upper House force Labour everywhere to realize that only by Federal action can anything of substantial worth be won and defended. The organization of Labour will adapt itself to the ever-changing needs of the movement. The movement now appears to need a structure which may combine the greatest measure of national co-operation with the fullest local autonomy—"Wide will wear but tight will tear".

This survey must show the wonderful recuperative power of Labour. May I, in closing, borrow from Mr Hughes a formerly favourite image? If I may, I shall compare my party to the earth-born Antaeus, engaging superior strength, again and again cast in defeat to the bosom of his Mother-Earth and, renewed by that invigorating contact, again and again renewing the struggle.

HISTORICAL DEVELOPMENT OF AUSTRALIAN POLITICAL PARTIES SINCE 1920

II. By D. R. HALL

THE dawn of the present century saw the political parties of New South Wales, comprising two main divisions, Free-traders and Protectionists, in about equal numbers, and a little group of Labour men who were prepared to adopt the role of fiscal agnostics and bargain to maintain one or the other party in power according as each was prepared to outbid the other in giving effect to the Labour Party's platform. "Support in return for concessions" was the slogan in the State of New South Wales until 1904, when Labour went into direct opposition, the other parties having been driven into union by force of circumstances.

In the Federal Parliament there was a three party system in vogue for some years. By 1909 the old division between the Protectionists, led by Deakin, Barton, and Lyne on the one hand, and the Free-traders, led by Reid, McMillan, and Cook on the other hand, had passed away and a complete fusion had been made.

The Labour Party in Federal politics enjoyed three years of office, with a majority in both Houses, from 1910 to 1913, when, on an appeal to the country, they narrowly failed to secure the return of the Fisher-Hughes Ministry.

The Labour Party in 1911 secured control in New South Wales, and again came into power in the Commonwealth in 1915. They appeared to have the brightest of prospects in Commonwealth and State, until the position was changed by the schism created

in 1917 as a result of the conscription referendum. First in New South Wales the Premier, W. Holman, and a number of his brother Ministers and followers, were expelled from the movement, on the ground that they had failed to oppose conscription. Immediately afterwards the Prime Minister of the Commonwealth, Mr Hughes, and a number of his colleagues suffered a like fate.

In these circumstances members of the Liberal Party offered to coalesce with the conscriptionist members of the Labour Party, and in 1917 the National Party emerged. Some smart critic of the day—a clergyman—stated, at the time, that the Labour Party in making its expulsions had blown out its brains.

It is noticeable that in each case, Federal and State, it was the ex-Labour men who continued to hold the principal position. Mr Hughes remained in office as Prime Minister of the Commonwealth until long after the close of the war, and W. Holman in New South Wales enjoyed a similar experience. This precedent of making the Labour man Prime Minister was also followed later on, in the case of Mr Lyons.

From the very nature of the composition of the present party opposed to the official Labour Party, there have been continually two conflicting sections, the old Liberals, who naturally leaned towards the doctrine of *laissez-faire*, and the development of private enterprise, and the old Labour men who had been brought up in the opposite school, and had never shed their beliefs in the need for State ownership or State control of private ownership.

The first serious conflict between the two sections came in the year 1929. Mr Bruce had become Prime Minister on the retirement of Mr Hughes in 1923, and

six years later found himself still in control with a solid majority behind him. When the depression broke on Australia the then Prime Minister decided that this was the time to step in and destroy the power of the Federal Arbitration Courts, excepting those which dealt with seamen and water-side workers. He succeeded in obtaining for his measure the support of the great majority of the members of his party. But the proposal was anathema to the ex-Prime Minister, Mr W. M. Hughes, who challenged the decision on the floor of the House, moving a vital amendment of Mr Bruce's measure in its committee stages. With the assistance of several Government supporters he succeeded in having this amendment carried, and Mr Bruce at once adjourned Parliament, advised the Governor to grant a dissolution, and entered on a whirlwind election campaign. The result was disastrous to him and his Government. Four Ministers of the Crown, including Mr Bruce himself, and fifteen Nationalist members were defeated. Mr Scullin, after having wandered in the wilderness of opposition for over twelve years, unexpectedly found himself at the head of a Labour administration. Mr Hughes and the little group of Nationalists behind him, had taken their political life into their hands. They had saved the system of Commonwealth Arbitration and had taught the more conservative section of the Nationalist Party the peril of seeking to set back the clock.

Having achieved this result Mr Hughes now thought the time ripe for the establishment of a new political party. "They had seen", he said, "the political annihilation of a National Party." "The Bligh Street machine was overwhelmed in irreparable disaster." It

was in this state of affairs that, within six weeks of the election, the Australian Party was called into being.

At the Town Hall, Chatswood, on December 3, 1929, supported by the eminent Mr Maxwell, M.H.R., Mr Walter Marks, Senator Duncan, and many men prominent in the commercial life of the community, the infant organization was born. But its sponsors had evidently under-estimated the difficulties which beset efforts to establish new political parties, and had not interpreted aright the feelings of the community which voted against Mr Bruce. The death sweat was already on the brow of the Australian Party at the time of its birth, and it failed to survive the State election contest which followed a few months after its establishment. All those who bore the banner of the party were ignominiously defeated and the party went out of existence. By reason of his outstanding personality, Mr Hughes survived year after year as an Independent Member in the Federal Parliament, but his was as the voice of one in the wilderness, until he returned to the political fold. Once back as a stalwart supporter of an existing Government, Mr Hughes's talents were quickly recognized, and to-day such administrative services as he is able to give are again available to the country.

Following the debacle which overwhelmed the Bruce-Page Government, the Scullin Government came into office before the end of 1929, and despite the enormous difficulties which confronted that Government on account of the depression, there seemed no reason why it should not remain in office for the full three-year term of the Parliament.

It was Mr Scullin's misfortune, however, that forces quite beyond his control should operate to make his

•continuance in office impossible. The retirement of Mr Theodore on the appointment of a Commission to inquire into what was known as the "Mungana Case", was subsequently followed by his reappointment, under circumstances of which some highly respected members of Mr Scullin's Government disapproved. The Minister for Customs, Mr Fenton, one of the stalwarts of the Labour Movement, declined to sit again in Cabinet with Mr Theodore while matters remained as they were, and tendered his resignation. In addition to Mr Fenton, there was the Treasurer to be reckoned with. Mr Lyons had had much experience as Premier of Tasmania, and had won golden opinions from the community in general by his conduct as acting-leader of the Government whilst Mr Scullin was away in London. His orthodoxy in dealing with matters of finance was the more appreciated by its contrast with the methods adopted by Mr Lang, who had by this time achieved the position of Premier of New South Wales. When Mr Gibbons, a colleague in the Labour Party, brought forth certain proposals which involved a modified form of inflation, the position became intolerable for Mr Lyons. Mr Gibbons's proposals, if not actually prepared by Mr Theodore, were at least endorsed by him. It was not Mr Theodore's connection with Mungana that Mr Lyons objected to, so much as his advocacy of a policy of inflation. Mr Theodore had ever shown himself to be a capable, courageous, and forceful administrator, and if he were coming back into the Cabinet to support inflation doctrines, there was no room in the same Government for Mr Lyons, who forthwith joined Mr Fenton in tendering his resignation to the Government.

Members of the Opposition hailed with joy the

prospect of getting new recruits to their movement, and within four months of his resignation the position had been explored and Mr Lyons went throughout Australia with proposals to form a new party. And these met with approval among those interested. In addition to Messrs Lyons and Fenton, three other Labour supporters, Messrs McGrath, Guy, and Price, joined the new United Australia Party organization, whilst yet another Labour man, Mr Moses Gabb, of South Australia, withdrew his support from the Government.

As already mentioned, the Labour man was offered the leadership of the new party. Mr Latham chivalrously volunteered to stand down and to support the new leader. And by March of 1931 the new party was an accomplished fact.

The numerical support brought by Mr Lyons to the Opposition was not sufficient of itself to destroy the Scullin Government. Mr Theodore was a powerful man in the councils of the Labour Movement in New South Wales, and he had repeatedly run counter to the Cabinets of Mr Lang, the leader of the New South Wales party and father of the Lang Plan. Just what the Lang Plan was, or is, no one seems to be able to say in exact words, but at least one of the main features of that plan was a policy of repudiation. There was to be no payment of debts to the bondholders abroad whilst the workers of Australia were in need. And in the Federal Parliament was found a little group, drawn mainly from the industrial centres of New South Wales, who declared themselves Lang Planners. Probably more with a view to destroy Mr Theodore than Mr Scullin, they joined with the opponents of the Scullin Ministry in voting for the

establishment of a Commission to inquire into certain allegations of favouritism in employment at Cockatoo Dock, a large Government works established in Mr Theodore's electorate. They succeeded. Mr Theodore was destroyed politically, and the Scullin Government was forced to appeal to the constituencies. With a United Australia Party fighting against a disunited Labour Party, the expected happened.

Mr Scullin's Government suffered the same fate as had befallen the Bruce-Page Government two years earlier. No doubt disunion in the ranks of his own party contributed to the Government's downfall; and it was generally felt that the sins of the by now unpopular Mr Lang in New South Wales were visited upon the head of his unfortunate Federal colleague.

How unpopular Mr Lang's regime in New South Wales was at this time may be gauged from the fact that on an appeal to the electors some months later, there was such a political landslide that, in point of Parliamentary representatives, Labour in New South Wales went back to the position it occupied at the beginning of the century.

ALL FOR AUSTRALIA LEAGUE

The effect of one man's administration upon the development of Party Government is not without interest. When Mr Lang was at the height of his power, a few business and professional men, who had never been heard of politically, decided that the old National Party had outlived its usefulness and that new forces must be brought into existence which would produce different results in future. At the outset this movement had a certain amount of backing from a powerful section of the Sydney Press, and the new

"All For Australia League" emerged. Commencing in one of the better class residential suburbs, it spread with amazing rapidity throughout the metropolis. Branches sprang up in every suburb. An adult membership of two hundred thousand was claimed for it. The same spirit which prompts the Nazi in Germany to shout "*Heil Hitler*", and has every one rise and give the salute, seemed to prompt reputable level-headed citizens to wear their league badges and to display them to one another, and to non-members, in public places on the slightest provocation. The enthusiasm was magnificent—everybody felt that "something ought to be done". Just what that "something" was, nobody knew.

When Mr Lyons formed the United Australia Party an opportunity was taken to capitalize, for party purposes, the vitality of the All For Australia League. A few joint selections were made—one member who had been a prominent League man was returned to the Federal Parliament. Then, as the State election in New South Wales approached, newspaper support was withdrawn, and the All For Australia League being still vague and indefinite as to its platform, fell in behind the U.A.P. Mr Lang was satisfactorily defeated and the A.F.A. League members were able to put away their badges as souvenirs of a movement which set out to replace the incompetent politicians by capable business and professional men, and finished by placing those same politicians more firmly in the saddle. A few of the business and professional men who showed their first public interest in national questions by joining the All For Australia League continue in the councils of the United Australia Party, and some attend branch meetings of that party. But

one is safe in saying that 90% of them are back to where they were before the All For Australia League was heard of.

THE RIVERINA MOVEMENT

This feeling during the time that Mr Lang was in office that "something ought to be done" was not confined to the city. About two months before Mr Lang's unexpected dismissal from office, in May, 1932, the same promptings led to an enormous gathering of countrymen taking place at Wagga. The same kind of enthusiasm that was seen in the A.F.A. League in the metropolis manifested itself in the Riverina, although the countrymen were not quite so indefinite as their city confrères. They conceived the idea that if New South Wales were divided into a number of States, Sydney and the industrial areas on the coast being isolated from the north, west, and south, then they would no longer need to fear the big bad wolf. This Wagga gathering brought the New State Movement into some prominence, and as the Country Party in Parliament, to which further reference will be made later, adopted the crazy idea and placed it in the forefront of their platform, the influence of the Riverina Movement did not die away quite as quickly as did the All For Australia League. Each, however, has lived, and could only live, by merging into the well-established existing parties. And each served to show how very difficult it is to establish new political parties in Australia.

THE DOUGLAS CREDIT MOVEMENT

The efforts of the advocates of the Douglas Credit scheme to establish a political party in Australia are fraught with considerable interest.

Prior to 1929 the proposals of Major Douglas attracted but little attention in Australia. But when the depression arrived, public men, after exhausting their efforts to blame that depression on their political rivals, began to stand aghast at its extent. Major Douglas appeared on the scene, and he and his supporters posed as the only people who knew what was the cause of, and the remedy for, the existing trouble. Whilst statesmen, economists, financiers, and captains of industry stood inert, or walked round in circles, the Major and his apostles were prepared to tell just which was the path to the Promised Land, and to present in advance plans and specifications for the New Jerusalem.

No movement in Australia during the present century has been supported by such apostolic fervour and missionary zeal as has the Douglas Credit scheme. Its gospel was carried from door to door by earnest advocates who had planned carefully, and worked ardently, to make proselytes. A number of suburbs around Sydney were chosen for special consideration. These were divided up into groups and captains appointed to take charge of the work in each street. Every home in the suburb was visited. The views of every voter were carefully considered, and conferences were held as to how the more hardened sceptics might be brought to see the light.

The leaders of the Douglas Credit Movement were earnest, educated, and self-sacrificing. Their scheme offered alluring prospects to the people who were otherwise hopeless. They spoke with certainty where other men appeared uncertain, and they made an attempt to crash in to public life under circumstances which in a former generation would have been rewarded by a large measure of success. Comparing

the condition of affairs during the depression of 1893, and the character of the propaganda which in that year gave birth to the Labour Party; with the depression of 1934 and the propaganda that preceded the efforts of the Douglas Credit Party, one would have said that the latter would have been rewarded by at least the same measure of success as that which marked the coming into public life of the Labour Party during the last decade of the last century. But in the result, although thirty-five out of seventy-two seats in the House of Representatives were contested, in no single instance did the Douglas Credit man receive one-third of the necessary votes to make him successful. And in every instance the party candidates received a very large percentage of their vote on local or personal grounds from men and women who were obviously not believers in the gospel preached by the followers of Major Douglas. Thousands voted for the Douglas Credit candidate in the House of Representatives, who at the very same time on the same day voted against the Douglas Credit candidates for the Senate. For example: In the electorate of Cowper, New South Wales, the candidate for the Representatives, Dr Kesteven, received 6,598 primary votes, but the combined vote for the Senate three in the Cowper electorate was 2,524. It is not to be thought that 4,400 out of 7,000 people voted for Dr Kesteven because they believed in Douglas's scheme, and voted against Mr Allen and his Douglas Credit colleagues in the spirit of unbelief. Clearly some people voted for Dr Kesteven because they liked him; others probably because they did not like Dr Earle Page; or because they did not like either the Country Party or the Labour Party, who were running opposition candidates; or for some other purely local reason. When,

however, they were able to make a selection for the Senate from a list of candidates which comprised representatives of U.A.P., U.C.P., Federal Labour, State Labour, Douglas Credit, and Communist, then the number of the votes of the faithful could be estimated by a reference to the combined total polled by the three Douglas Credit candidates. The Cowper seat was exceptional only in the extent of the difference between the vote for the Representatives and that of the Senate. The same phenomenon was noted in every other seat throughout the Commonwealth.

If this test be taken of the popularity of the Douglas Credit Movement, then, since their Senate candidates polled less than fifty thousand votes in New South Wales out of a total of approximately one and a half millions, or about one in thirty of the voters for the Senate, it will be seen how hopeless is the effort to get the citizens of Australia to break away from the established parties. It is true that in other States they did a little better. In Queensland they received one vote out of every twenty-five, and in Western Australia one out of every ten. But even in the latter case this must have been regarded as a poor reward for the effort put forward.

With the limited data available it is not possible to say definitely from which of the existing parties the Douglas Credit candidates received the bulk of their support. There are indications, however, that point to the probability that the majority of the Douglas Credit votes represent defections from the U.A.P. side of politics.

In most of the constituencies which return U.A.P. candidates by overwhelming majorities, there was no falling off in the numbers of the Labour supporters despite the fact that four or five thousand or more votes were recorded for the Douglas Credit man. In

the Cowper electorate the Labour candidate in 1931 received 5,000 votes. In the recent contest he received 10,000, despite the fact that 7,000 were recorded for the new party. In North Sydney, in 1931, the Labour candidate received 12,000; in the recent contest he received 700 more, although 6,000 had voted for the Douglas Credit supporter. And the same position existed more or less in other electorates. One might say Labour still held its own. It was the U.A.P. section that was weakened by the coming of the Douglas Credit men.

The distribution of preferences generally indicated that those who voted Douglas Credit first, preferred Labour rather than U.A.P. for their second choice. The distribution of 50,000 first preferences Douglas Credit Senate votes in New South Wales went 35,000 to Labour candidates, and 15,000 to U.A.P. candidates. And this process of distribution was substantially followed in the case of the first preferences for the House of Representatives.

It would appear that many mercifully-minded people of both sides of political thought, shocked by the suffering which the depression brought about, and despairing of seeing any fundamental changes made either by the U.A.P. or the Labour Party, decided, even though they did not understand Douglas Credit, that they would give it a chance, on the ground that things could not be worse, and they might be better under the new scheme.

DIFFICULTIES AHEAD OF NEW PARTIES

(a) *Radio Influences.*

The experiences of those who tried to create the Australian Party, the All for Australia League, the Riverina Movement, and of those who tried to establish

a Douglas Credit Party served to show that it becomes increasingly difficult for new parties to secure a standing under present conditions. Generally speaking, the political world of to-day has no time for independent candidates, and no desire for new parties.

One very powerful factor which increases this tendency to adhere to the old groups, and to look for changes in the policies of those parties rather than encourage new and rival sections, is the influence of wireless in modern campaigning.

At the last election in Germany Adolph Hitler, although he held a few public gatherings, did the greater part of his campaigning over the microphone. And in America, in the recent Senate campaign, President Roosevelt abstained from addressing public meetings. Each night he sat by his own fireside, and spoke in quiet intimate language to the millions of Americans who sat by their firesides, and listened to the voice of a leader who spoke to each, always using the plural rather than the singular in his addresses. It was not "What I shall do", but always "How are you and I going to govern this country? What shall we do to save our nation?" In simple, homely phrases—every one of which had been carefully considered in advance by a group of psychologists—the President appealed to the hearts of American millions and won an unprecedented victory.

Years ago, the American citizens would get their education in politics, in so far as it came through the ear, from hundreds of speakers—Senators, ex-Senators, would-be Senators, members of the House of Representatives, professional orators and others, all of whom were establishing their own reputations in the process of educating their fellows. Now the American citizens hear one voice only, and are influenced by one man,

Roosevelt. And so the way is prepared for the President to set up a quasi-dictatorship.

The coming of wireless into Australia has fundamentally altered the position here. Broadly speaking, people no longer attend political meetings. They prefer to remain at home and rely on what they hear through the wireless. This represents a tremendous change in the habits of the people. In by-gone days any candidate for Parliament could get an audience where to-day this is impossible. For example, when I first ran for Parliament thirty-three years ago, I went to a town named Coonabarrabran, and upwards of two hundred people came to hear me. Beyond the fact that a small advertisement had appeared in the papers announcing that I was a candidate for Parliament, and that I would visit the town on that date, there was no reason whatever why anybody should have put in an appearance. But they came. In the recent election the man who was ultimately successful in the contest went to the same town, which has grown considerably in the meantime. He, the sitting member, was known to be a capable speaker and a popular candidate. And three people came to hear him. This was no exceptional experience. Everywhere throughout Australia the general rule was that public meetings had fallen away almost to vanishing point. Possibly the fact that it was winter-time, that the season was a wet one, and that the cricket contests in England made wireless broadcasts exceptionally interesting may have intensified the disposition of the Australian public to remain at home. The action of Bradman in making a score of 304 in the Fourth Test match at Leeds destroyed five hundred political meetings in Australia which were timed to take place when the detailed description of the innings was coming over the air.

But cricket or no cricket, good weather or bad weather, the change is here just the same. This means that the people get a different kind of education on public matters now, and they get it from a different source. When two hundred people in a country town came to a political meeting twenty-five years ago, it might very well be that the candidate was not an attractive orator. Very often he was hesitant in speech, lacking in humour, and indeed devoid of all platform tricks. But no one had the moral courage to get up and walk out in the middle of the meeting. The audience behaved in this regard as audiences behave in church if the parson happens to preach a very dull sermon. They endure to the end, and a proportion of them show their feelings by staying away next time. However unattractive the political speaker of years gone by might have been, the people attended, and he managed to put his message over. If he knew what he was talking about, as most speakers did, in the end he explained it to the crowd who were disposed to overlook his defects in oratory. In those days the people in the back-country, at any rate, suffered mental starvation from the very monotony of their surroundings. They would turn out to hear anybody just to break the monotony. To-day the position is different. The man in the country hamlet can listen to a description of a royal wedding in England, or a wrestling contest at the stadium, or nearly anything else he chooses. Consequently he has not the same urge to leave his home and listen to politicians. He therefore decides to hear a wireless speech as a substitute for attending meetings.

If the speaker is dull, or hesitant, or humourless for five minutes, then nine-tenths of his audience will already have tuned out and got on to another station.

As a matter of fact the average man, if he has an opportunity to speak over the air, is rarely listened to. During the last election campaign, in the course of a series of tours which covered a large part of the State, I took an opportunity to make personal inquiries, and to get other people to make personal inquiries, as to how the public listened to speeches over the air. Apparently everyone, or nearly everyone, heard Mr Lyons's first Policy speech delivered five weeks before the election. And they seemed to have heard him from beginning to end. Much the same applied to Mr Scullin's Policy speech. There were a few who tuned out. But, speaking generally, it may be said that his audience was fairly universal.

For the rest, only those who were enthusiastic supporters of men heard the whole of their speeches. In scores of cases inquiries were made with the same results. One met the average citizen and in the course of conversation it was said: "Did you hear Mr X last night?" and he replied: "Oh, yes, he was very good." A single question, "What did you think of his views on economic self-sufficiency?", or any other definite theme, would almost invariably bring the following type of reply: "Well, I did not hear him right through. One of my boys is very interested in the cricket score and they tuned in to hear that." One discovered that Mr X had not been heard to any extent at all, and that in every household some other member of the family had tuned him out in favour of something more interesting.

This means that as Germany listened to Hitler, and America to Roosevelt, so in a somewhat lesser degree Australia listens to its rival leaders, and to them only. The effect of this is to strengthen the power of the

leaders and to consolidate the power of the groups, making it less and less possible for independents or new parties to get a vote. Apart from other considerations, the cost of time on a B class station would be an insuperable barrier in most cases. An independent politician would require to be independent in more senses than one, to be able to pay for a chance to educate his audience, and unless he were sufficiently distinguished to arouse people's curiosity, or sufficiently entertaining to build up a radio personality, he would not be heard in any event.

(b) Increasing Cost of Electioneering.

As the years pass, the cost of electioneering tends to increase enormously, and this plays into the hands of the well-established parties with their huge fighting funds. In my first election fight in 1901 I set out with £19 in my pocket, and out of this bought a single railway ticket to the distant country town which was the centre of the electorate; being an optimist I felt there was no need to buy a return ticket as a member's pass would be available. In addition to my own few pounds, I recall with gratitude that twenty miners in a Gunnedah coal mine decided to pay 2s. 6d. a week each, for a month, towards the funds, and the local Labour League raised nearly £10. With less than £40 in all, one had to provide for the cost of five weeks' travelling, hotel expenses for driver and self, and horse, advertising, hire of halls, postages, and every other charge. And there was nothing very remarkable in the experience. Plenty of others did the same thing. To-day this would be impossible.

A wireless talk over one of the B class stations costs £1 a minute, or a tie-up over a number of stations £5

a minute. Printing and advertising is more costly. Since the coming of the picture show, the hall in the country town has a rental value that it never had before. And, in addition, the motor-car has arrived, and many electors regard election day as a day when they can motor at someone else's expense. Men whose fathers gladly did scrutineering work for the honour of helping, now want to be paid for their services.

Twenty-five years ago members of Parliament passed an Act providing that election expenses must be limited to a total of £100. And every candidate makes a return to the electoral office, after each election, showing that the costs of his contest did not exceed the statutory sum. Candidates are not more resourceful in their contests than they are in making up their returns.

Only those party groups which are well supplied with money can survive in the struggle. Years ago Parliament refrained from interfering in the business of the individual. The business man was mainly concerned to find goods, and then to find customers who would buy at profitable prices. In those circumstances there was no particular reason why he should subscribe to Parliamentary funds. To-day business men are faced with the problem "What will the Government allow us to do?" and since the success or failure of a particular party may help, or hinder, certain businesses, the owners have an interest in securing the return of one party or the other, and consequently they subscribe to the funds of the U.A.P. or of the Labour Party. But they want to back winners. Being unwilling to support losers, they refrain from subscribing to struggling organizations. Without money these organizations find it impossible to get a footing. And

it would appear that the difficulties of establishing new parties are likely to increase rather than diminish in days to come.

THE COUNTRY PARTY

There remains to be considered the position of a group known as the United Country Party, which now has a firm hold both in Federal and State spheres. For thirty years the Farmers' and Settlers' Association of New South Wales sought to establish a separate party in Parliament. For one reason or another it offered certain Parliamentarians sufficient inducement to form a group which would act as a wing to the existing Liberal or National Party. For some years this was known as the Progressive Party. It was supposed to represent country interests but was controlled mainly by city lawyers. Mr (now Judge) Beeby, Mr (now Sir Thomas) Bavin and Mr Ley secured preferment by association with that group.

It was not, however, until 1918 that the first Country Party member arrived in the Federal Parliament. During the seventeen years which have intervened, the number of supporters of that party has steadily grown. It had sixteen members in the last Parliament and fifteen in the present, the one defection occurring in the case of a member who was elected to represent both the Country Party and the U.A.P. interests, and failed to offer himself for re-election. During the same period the party in the State of New South Wales has grown to twenty-five, whilst in the Victorian Assembly it recently numbered seventeen.

No doubt there are supporters of that party who cherish the idea that they have established a group which can remain separate and independent of other parties, and can play a part as important as did the

little body of fiscal agnostics who comprised the first Labour Party in New South Wales forty years ago. One section of the Country Party says "No alliances. Let us wait until we are in a position to govern before we take office." But since a majority of the people of New South Wales live in Sydney, a majority of the people of Victoria live in Melbourne, and since they, together with the large industrial centres away from the capital cities, like Newcastle, Broken Hill, and Geelong, return considerably more than half of the total members in Parliament, the prospects of the Country Party ever getting a majority to enable them to govern by themselves, seem very remote. The more ambitious men in the ranks naturally refuse to sentence themselves to perpetual banishment from office, and their weight is felt in the party and influences the acceptance of office on the best terms that Parliamentary bargaining enables them to make.

Although apparently independent of other parties, the supporters of the Country Party are practically limited in the choice of the Government which they will support. One cannot visualize a Country Party in the Federal Parliament destroying Lyons's administration, and maintaining in office a Scullin-Beasley Government, any more than one can picture the twenty-five Country members in the New South Wales Parliament throwing Mr Stevens out of office and putting Mr Lang in, and keeping him there. It simply could not happen. Obviously, members of the Country Party are sent to Parliament first to defeat the industrialists, and second, to shape the policy of their allies in such a way as will best advance the interests of primary producers. This party is not, and cannot be, absolutely independent while its choice is so limited. Both in

the Federal and State Houses there are men who are returned by the joint support of the U.A.P. and U.C.P. They attend the meetings of both caucuses, and apparently find no difficulty in satisfying the demands of both sections of their supporters. The relations between the parties are so close that this can be done. But where there is real separation between parties such a position is impossible. A man may, and does in cases, sit in one caucus under the Presidency of Mr Lyons and another of Dr Earle Page. In the State the same type of man attends meetings of one group presided over by Mr Stevens, and another by Mr Bruxner, the Country Party leader. But with Parliament as at present constituted, one could not imagine a man attending Mr Lyons's or Dr Earle Page's caucus, and then being freely admitted to the caucus of Mr Scullin or Mr Beasley. The man who could be selected as the joint candidate of the Stevens Party and the Lang Party in New South Wales, and could satisfy the demands of supporters of both parties, has not yet been born. Generally speaking, the supporters of the Country Party in Commonwealth and State are prepared to accept the responsibilities of office when they have made the best bargain possible, securing acceptance of as much of their political platform, and as many portfolios, as negotiations enable them to obtain.

No doubt conflicting interests in the city and country have, in the past, put a strain on the bonds which temporarily unite non-homogeneous parties. The probabilities are that the conflict of interests will tend to increase rather than diminish. To-day, when Germany and Italy are demanding that Australia should purchase manufactured products in order to

maintain its customers for Australian wool, it must become increasingly difficult for the dominant party in the Federal Parliament to decide just how far they are prepared to prejudice Australian manufacturing interests in order to maintain the existence of that important section of the community which is engaged in the production of wool, wheat, butter, and other primary products. It will require all the wisdom, forbearance, and patriotism available on each side to enable the Government to maintain a united front in resolving the difficulties that arise from day to day.

THE TREND TOWARDS GOVERNMENT CONTROL IN
U.A.P. AND U.C.P. ADMINISTRATION

It will be seen that existing non-Labour Governments are made possible by the support of ex-members of the A.L.P., ex-members of the National Party, and members of the Country Party. Of these three groups, two of them in the past have professed to be definitely anti-Socialistic, members of the Country Party being more definite in their declarations in this regard. But the shibboleths of the past are forgotten when these men come to deal with the problems of the day. More and more the demand grows for State interference and State control, and Australian public life is not without its examples of the readiness of all parties to meet those demands. The legislation of the Commonwealth Parliament tends to extend the powers of the Government. The Bankruptcy Act, passed three years ago, is replete with illustrations of how the Government takes over functions which were previously left to private enterprise.

The trend is for ex-Labour men to pass out of Governments, but for the principles for which they

stood to survive. In the Government of New South Wales there is not one man who was previously an avowed member of the Labour Party. But the members of that Government are, on occasion, prepared to go as far, and even farther, than their Labour predecessors in extending Government control. The leader of the Country Party, when he became Minister for Transport, did not reverse the Lang policy by preserving bus services for private interests. Despite the dictum of Lenin "Control transport and you control the State", he maintained and extended the transport monopoly as vigorously as any other man in the public life of New South Wales could have done. It is true that no Act was passed to expropriate the equipment that previously belonged to private investors, but expropriation as a result was achieved in another way. All licences of any value were withdrawn. The fleets of buses were demobilized, and when they had been converted into useless junk, the Minister for Transport had prices fixed at which he was prepared to buy. These were fixed without appeal, and were not referable either to the cost of the vehicles or to their value at the time of their demobilization. The owners of the demobilized fleets were, of course, under no compulsion. They could take the Government's prices or leave them, but as all other avenues for sale had been effectively closed in advance, the Transport Commissioners were able to acquire vehicles at a mere fraction of what would have been declared their real value had that value been fixed by any Court in the land.

There is nothing in the method of acquiring monopoly of transport, nor in the control of that monopoly, which would indicate that the leader of the Country Party is a distinguished advocate of private

enterprise. All profitable routes have been retained for the Government. Goods motor vehicles which have competed with the railways have been taxed up to 3d. per ton per mile, and no effort has been spared to make the control complete.

Apart from legitimate criticism on the unfairness of the method of acquiring the bus fleet, there has been a certain amount of dissatisfaction with the working of it. What grounds, if any, there are for this dissatisfaction may be left to others to discuss. But there is this to be said for the Minister for Transport, that during his control of the new socialized enterprise there has been a decrease in the losses on the trams for two years and a surplus in the present year, despite a more generous writing off for depreciation than usual; and that, during the same period, the buses have shown a profit, although in the present year one-third of the total capital cost is being written off for depreciation. And the service has been brought up to date. New trackless trolleys have replaced old buses; adequate provision has been made for retirement of obsolete equipment, and at the same time bus fares and tramway fares have been substantially reduced. This serves to show that an anti-socialist may administer a Socialistic enterprise very efficiently.

The legislation during the past few months in the State Parliament of New South Wales has steadily tended to extend Government enterprise and Government interference in various directions. The recently passed Abattoirs Act gives to the public authorities powers to establish Government enterprises much wider than those asked by the Labour Government, which established the Abattoirs twenty years ago.

When a private company recently commenced

operations with a view to supplying electric light to many of the towns and shires south of Sydney, the existing U.A.P. Government promptly introduced a measure to provide that this function of supplying light should be retained as a Government monopoly and should be withdrawn from the field of private enterprise.

Even as this paper is being written the Premier of New South Wales, Mr Stevens, is hurling his threats at the Master Bakers, and promising to call down upon their heads all sorts of penalties if they raise the price of bread in the manner they are threatening to do. Mr Stevens's language to the Master Bakers has a familiar ring about it. It is very much the same as the Trades Hall used to cheer me for using, when, as a Labour Minister, I was dealing with the same subject twenty years ago. The old idea that if bread prices were allowed to rise, competition would be introduced, and under the stimulus of competition consumers would get the advantage of good service and cheaper prices, has gone by the board.

Probably Mr Stevens is no more enamoured of the idea of State interference, and his colleagues are no more pleased to support schemes in opposition to the interests of private enterprise, than was Mr Scullin and those members on all sides of the House, who in a time of financial crisis passed legislation to reduce old-age pensions. No doubt party prejudice and party antipathies still remain, but the disposition of public men to-day is to face the situation as it is, and to be prepared to lay themselves open to the charge of inconsistency should the occasion demand a change in their line of action. At the back of the mind of every public man is the idea that the existence of our repre-

sentative institutions is threatened, and the hope that those institutions may survive can only be strengthened if public men of every party continue to show that in time of crisis, party catch-cries are forgotten in the effort to serve the State.

DISCUSSION

MR LLOYD ROSS (Sydney) suggested that the reasons why the Labour Party had always been divided within itself were (1) the fact that it gathered into its ranks a number of conflicting groups of people, such as tariff reformers, land nationalizers, small farmers, socialists and internationalists; and (2) that, although the Labour Party had become a Socialist Party, it had never succeeded in discovering a satisfactory method, or even a united method, of introducing Socialism.

Changing the name and policy of the U.A.P. was a form of opportunism dangerous to politics generally, and to capitalism itself. For, if there were anything in the view of orthodox economists that State interferences with private enterprise were a major cause of economic disturbance, then the U.A.P. was deepening the very depressions out of which Labour gained its great opportunity.

It would be foolish to underestimate the tremendous strides made by the Douglas Social Credit Movement in one election. It would almost certainly grow during the forthcoming elections, though, like the All For Australia Party, it could never really succeed, because it had no roots in the people. A party would only succeed when it showed how State interventions could be co-ordinated into a programme based on the fundamental desire of the masses for economic security.

MR R. D. NICHOLLS (Adelaide) pointed out that the development of strongly-organized parties meant that a good deal of the debate that once went on in Parliament now takes place within the party organization. Those who were interested in public affairs should, therefore, get inside the parties, and participate in their discussions at every stage.

MR E. R. DAWES (Adelaide) said that the Labour Party "blew out its brains" on the same occasions, and for the same reason, that the anti-Labour group changed its name. That was because some crisis had arisen which neither party could handle at all convincingly, because both lacked a detailed step-by-step programme of action.

MR E. ANTHONY (Adelaide) argued that the course of recent events had driven all parties into what he called "infernal control". As a Liberal he did not like it; he hated every action that contributed to its development. But it was a world movement that could not be resisted, though he feared that the whole thing would soon break down from its own weight.

MR M. BLACKBURN (in reply) said that, after hearing Mr Hall's paper and the discussion which followed, he thought that the ancient mythologists had been wrong. Instead of its being a duel between Antaeus and Hercules, it should be a duel between Antaeus and Proteus.

The influence of Socialism on the pre-Federation Labour Party had, he thought, been very much exaggerated. The first big Socialist influence came after Tom Mann had been entrusted with the task of reorganizing the party in Victoria, and of pushing forward the Socialistic objective wherever he went. What was regarded as "Socialistic" then, would not be regarded as very advanced nowadays. But the State activities described by Mr Hall, and deplored by Mr Anthony, were, in his opinion, not Socialistic at all.

MR HALL (in reply): "The Labour Party was never divided in the old days in New South Wales, when we were fighting to get power. As long as we had to fight to get there, believe me, all hands were solidly behind us. But when we got the jobs, we used to devote 30% of our time to fighting the Liberals opposed to us, and 70% to fighting the 'gang' behind us, who wanted to take our jobs from us. Even then we made a faulty division: we should have devoted only 20% against Wade and 80% against the other crowd."

THE ECONOMIC BASES OF AUSTRALIAN POLITICS

By J. A. McCallum

INTRODUCTION

THERE is a tendency to-day to exaggerate the importance of Economics. The urgency of economic problems is not a sufficient explanation. Problems rooted in geography, ethnology, and meteorology are urgent, but these subjects are left to those who happen to be interested in them.

I suggest as partial explanations a widespread disillusionment which has caused the overthrow of old idols, and a love of simplification which has demanded the erection of a new one. Like Jurgen, the eager student will "try any drink once". In the seventeenth century, theology was the prevailing preoccupation; consequently theologians were called on for ultimate explanations of national policy. In the late eighteenth century, politics became the current obsession and the followers of Rousseau and Burke were equally convinced that salvation lay either in uprooting or in strengthening governments based on prescription. Economics has taken the vacant throne partly because it answers some of the questions asked it, but mainly because the throne must be occupied.

Economic explanations of history and of exist-

ing society vary. There are economic determinists who would give all collective action an economic origin. To them all individual tendencies are subordinate to the desire for acquisition, and political movements are merely economic processes with a mask on. A second school is content to say, that while individuals may act from motives quite unconnected with economics, and while groups may be formed to realize non-economic aims, economic considerations always prevail in the long run, both in the State and in associations that arise independently of the State. They agree with Tennyson's "Northern Farmer" that "Proputt, Proputt, Proputt sticks", and that most other things become unstuck quite easily. A third school, to which I shall adhere, if I must go, like a child, to school, is content to say "when in doubt look for the cause of political happenings in the economic sphere".

Certainly much that happens in politics is meaningless till we know what property rights are threatened and what groups hope to increase their incomes. The softest sentimentalist must recognize that the desire to get, and keep, is a motive which acts with unrivalled constancy and force. It is strongest in the tougher type of man, who tends to get his way. And those who are not tough learn that the realization of many of the multifarious aims they pursue is impossible without an adequate income.

We find, therefore, that those whose material interests are served thereby, either originate political movements or give a new bent to those already in existence. And we find the majority of men entering into certain relationships in order to secure an income, and limited to certain other relationships by the size of that income. Thus social environment is largely

determined by the job and the pay. Opinions, in turn, depend largely on the social environment. Philosophers accept or reject ideas by forming judgments as to their validity. The ordinary man believes what his interests, his inherited tendency towards acquiescence or independence, his humility, his conceit, or his social environment dictate. So, while it is quite possible that an exceptional blacksmith or farmer will be a philosopher, the ordinary farmer or blacksmith will think, for the most part, that what suits his interest, or what enters his head with ease, is what all right-thinking people accept. There is for every age, and for every social group, a particular intellectual climate in which certain ideas flourish and others wither. The exceptional man may withstand the intellectual climate in which he habitually lives. He may entertain ideas nourished in all kinds of intellectual climates, just as an exceptional gardener provided with hot-houses may vary his climate at will and may grow orchids, roses, and waratahs. But the ordinary man is at the mercy of the ideas that grow readily in his dominating social group. Let me here say that the ordinary man is not necessarily the barber or the man in the street. He may be professor, physician, or Lord High Admiral. G. K. Chesterton, in one of his frequent lapses into sanity, remarked that great specialists, when they step outside the boundaries of their own science, are prone to accept the vulgarest notions of their class or sect.

The dominating groups for most people are the two groups into which they are forced by their method of earning an income, and by the size of that income. If the two groups coincide, the influence of economic relationship on the formation of opinion is greatly strengthened. To put the matter concretely, if a

man's working hours are spent in a factory, and his leisure hours in a suburb inhabited by factory workers, he, whether an egoist or an altruist, will tend to accept ideas grown in the wage-earners' intellectual climate, without any very critical examination of them. Marx therefore is stating little more than a truism when he says that "Social production" brings men into "definite relations that are indispensable and independent of their will". He is leaping from sober inference to dogmatism when he says that the economic structure of society, consisting of "the sum total of these relations of production" is the "real foundation on which rise legal and political superstructures to which correspond definite forms of social consciousness". There are other relations, into which people enter voluntarily—cricket clubs, and societies for the prevention of cruelty to animals—which have no demonstrable relation to small-scale industry or large-scale industry. The legal and political institutions of the State arise from, are constantly affected by, and react on, all social groupings. But the groupings which result from economic necessity are of cardinal importance.

There is truth also in the Marxian view that changes in economic relationships demand changes in legal and political institutions, and disturb existing "social consciousness". If inventions and a new social technique in industry cause peasants to leave their holdings and work in factories, many of their ideas will change, and new laws will be necessary to meet their altered condition. But I cannot agree that a "new social consciousness" will arise which will be a mere reflection of the "new relationships". Something of peasant acquisitiveness and peasant tenacity

will remain; new voluntary associations will be formed, and the factory worker's "social consciousness" will be the result of all the tendencies he has inherited, and of his total environment.

Unwittingly I have put my finger on the cardinal weakness of all economic interpretations of political movements. They assume that men have a clear conception of what their interest is, and that they deliberately pursue that interest. Modern psychologists, who are capable of thought when they desist from the mechanical operations of counting, tabulating, and working out jig-saw puzzles, have exploded that fallacy. Men do not see the world outside. They see the "pictures in their heads". And the pictures in their heads are the product of instincts, and of sentiments which are built up as instinct is satisfied or frustrated. Mental processes commonly produce rationalization—the manufacture of "reasons" for doing what the "pictures in the head" demand. So what I have called, for want of a more exact term, the "intellectual climate" of the various social groups, produces not only ideas but sentiments and prejudices which often bear no relation to the real interests of the group. Two striking examples may be quoted from recent Australian history. The proposal for controlled inflation made by Mr Theodore in 1931 would, if successfully carried out, have substantially benefited farmers with mortgaged freeholds. It was, so far as the relations of mortgagors and mortgagees were concerned, unassailable on ethical grounds, since it put the parties where they were at the making of the contract. Yet an overwhelming majority of farmers rejected it because it was not the sort of idea that flourished in the intellectual climate of their social

group. Mr Lang's proposals to cease interest payments on overseas debts contracted to pay for public works, was clearly against the interests of those wage-earners whose prospects of re-employment depended on the provision of funds for public works in the future. It could have benefited them only if it had been part of a plan which provided for their re-employment by means which did not necessitate the raising of loans. Yet a large number of railway workers supported the proposal because it accorded with the conception of social justice that grew in their "intellectual climate". It said to them in effect "why should others have cake while we are denied bread". It did not promise work, but it satisfied instinct and sentiment.

In considering the response of various economic groups to policies put before them, therefore, we must ask not only what effect would the proposed policy actually have on their material interests, but also what effect would it have on their instinctive and emotional reactions. How would it affect the "pictures in their heads"?

I do not wish to be dogmatic. I also have "pictures in my head". But the theory that political movements are determined by economic relationships seems to come to little more than this. Certain groups are economically powerful. They put forward policies which provide them material advantage. The response to the propaganda organized by these groups is not made by a multitude of men thinking independently and freely. Their thinking is affected by the intellectual climate of various social groups. And for most people this intellectual climate depends on their occupation and the size of their incomes.

THE ECONOMIC BASIS OF THE POLITICAL LABOUR
MOVEMENT

Since 1910 the political Labour Movement has dominated Australian politics. In office, or out of office, it is the magnetic pole by which all political ships must set their courses. It never changes its name—and, when schisms occur, the warring sections contend for the right to use the name. Some of its tenets are as unchangeable as the theology of Saint Thomas Aquinas, others as variable as that of the Vicar of Bray. It is progressive in its attitude to industrial problems, and neutral or conservative in most other matters.

When in office it has been hampered by a constantly recurring inclination to commit suicide. It has done much constructive work, but far less than its zealous and unselfish supporters had a right to expect. In the two greatest crises that have confronted the Commonwealth—the World War and the depression—it has lost the confidence of the public, and in each case its failure has given conservatives and reactionaries an undeserved opportunity. Yet it is the one enduring and real movement in Australian political life. Love it, or hate it, you have to reckon with it. The policies it has been unable to carry out, are not infrequently put into effect by its inveterate enemies. At its best, it has been a splendid instrument for effecting the purposes of enlightened public opinion. At its worst, it is a gadfly stinging sluggish opponents into reluctant response to the general will.

That the great body of wage-earners forms its economic basis is shown by the party organization and the ballot-box. The political organization consists of leagues, which are open, with some restrictions, to those who accept the principles and policy of the

party, and of affiliated trade unions. The relative strength of the leagues and unions has an important bearing on the policy and character of the party, but has little relation to its economic basis. The majority of the league members are trade unionists, or their wives, the remainder being in the main small-scale business men, farmers, or professional men. Some few are wealthy business men, inspired by consummate idealism or inordinate ambition.

The party is clearly meant primarily to represent the wage-earners. The results of the ballot-box show that it receives undeviating support from the majority of wage-earners. That the urban "industrial" areas will "vote Labour" is never doubted. In the country, a strong Labour vote may be expected in mining areas, places where rural workers congregate, manufacturing centres, and towns where there is a large resident population of railway workers. Shrewd electioneering agents of all parties know to a hair, the effect of railway construction on doubtful seats.

The constant elements in Labour policy and methods reflect opinion that flourishes in a wage-earning area. The variable elements reflect (a) the views of independent active members of the party; (b) opinion that flourishes in the community generally.

The most constant element is the "machine". Its distinguishing features are a Conference which lays down a platform and rules, an Executive which interprets the will of Conference, and a party Caucus which carries out the decisions of Conference by controlling the votes of party members, and the actions of the Cabinet, when the party is in power. The theoretical difference between government by this political machine, and responsible government as the

term was understood in Australia before the advent of the Labour Party, is this. Formerly people voted for recognized leaders—Berry, Parkes, or Griffith. Now they vote, in effect, for or against a section of the community organized to control the apparatus of government. In practice the difference is not so great because, in general, the Parliamentary leaders were until 1916 able to control the machine, and still exercise considerable influence on it.

Our concern with the political machine is with its economic foundation. It is possible that an organization which was less rigid, and which allowed more freedom to its Parliamentary representatives, would have been acceptable to the "rank and file". The party machinery was in great measure copied from the political machines of the United States. The pledge was devised and imposed by Mr W. M. Hughes and his immediate associates. There is a rough justice in the *Bulletin* cartoon, which depicted Hughes after his expulsion in 1916, as Frankenstein cowering before the monster he had created. But there is ample evidence that the point of view which regarded the Parliamentary representative as an errand-boy of the "movement," is one of those ideas which flourish in a wage-earner's "intellectual climate". Trade unionism had been built on the sentiment of "union solidarity". Solidarity meant to those who accepted its full implications, a subordination of the individual to the group more complete than State or Church demands in British communities. And it meant a measure of intolerance that sometimes approached religious bigotry. It meant unlimited loyalty to fellow-unionists, and undying hatred of "scabs". This sentiment of "solidarity", transferred to the political sphere, gave per-

manence to the plenary powers of Conference and Executive, and made the Caucus and the Pledge a constant part of the Labour methods.

The variable element in Labour methods may be ascribed to the quality of the political leaders, and to the prevalence in the movement of sentiments and ideas which do not flourish in the wage-earners' "intellectual climate". The policy of political Labour has always been what orthodox collectivists call "reformist". Even on the rare occasions that it has been violent and subversive, it was not an attempt to destroy private property at one blow and build up a Socialist community. Briefly, it has been, and is, a compound of Liberalism, non-doctrinaire measures for ameliorating the lot of the wage-earner, and projects for a fairer distribution of wealth.

There is a belief current in the Labour Movement that Labour policy, though it excels in wisdom all that was ever enacted from the time of Moses to that of Hitler, owes nothing to the teaching of the learned, the invention of the ingenious, or the vision of the inspired. It is exuded, like sweat, from the pores of the worker. "Myself, when young, did eagerly accept" this doctrine. The articles of H. E. Boote, and the cartoons of Claude Marquet created the illusion of a multitude of iron-framed, steel-sinewed, electric-minded Solons, ready and willing, and able to build the "Delos of a coming Sun-God's race".¹ I think of that departed illusion with tenderness.

Labour's policy is not a magic emanation from the masses. It is not, in the main, thought over and accepted rationally by the masses. It is put together, and "put over", by a minority consisting of the politi-

¹ Bernard O'Dowd, "Australia."

cal leaders, the industrial leaders, and the thinking "rank and file". Until 1916 the political leaders, though often forced to "walk delicately", prevailed. Consequently the policy actually embodied in statutes consisted of two sorts of measures, first those directly connected with wages, hours, and the amelioration of working conditions, and thus designed to hold the support of wage-earners; second, those designed to please all but the *rentier* class by equalizing opportunity and mitigating inequality of income. This was done by finding urgent reasons for leaving other parts of policy in the obscurity of the printed platform.

After 1916 the industrial leaders—the trade union officials—secured control of the machine except in Queensland and Western Australia, where the two groups still work in harmony. These men were determined to magnify their office. Stress was laid on the proletarian nature of the "movement". But the vital change has been this: the Parliamentary leaders and the Executive of the A.L.P. have been forced to respect the wage-earners' reaction, rather than the reaction of the electorates. The leaders who have put the ideas acceptable to the whole community, or ideas acceptable to themselves, before the ideas acceptable to the wage-earner have gone to the wall—or to the other side of the floor.

Right through the history of the Labour Party there have been men and women in the movement capable of adding their quota of ideas to the common stock, and sufficiently altruistic to subordinate their interests to those of the party. These are the "unknown soldiers" of Labour, whose devotion made it an inspiring movement in its great days, and have redeemed it from absolute squalor when the machine has become corrupt.

I come now to the economic basis—to those whose ideas and sentiments must be taken into account by the framers of opinion, but who play no active part in shaping policy themselves.

Let us deal, first, with those actually in the party organization—the members of leagues and unions. The assumption is often made that the leagues are moderate and the unions militant, that the leagues represent the middle class, milk-and-water supporters, and are most open to manipulation by careerists, while the unions consist of uncompromising zealots who yearn for the complete social revolution. The contrary is nearer the truth. The leagues represent the active energetic members of the party, both moderate and militant. The union membership comprises all who wish to work in a particular industry, or a particular craft. League membership is optional. Those who are opposed to Labour policy, or who have no interest in politics, do not join political leagues. On the other hand, the unions include the indifferent and the conservative as well as the active and the militant. Certain unions—notably the miners—are an exception to this rule. But union officials are usually in control of all union affairs. Partly by manipulation, partly by organizing the militant minority, partly by playing on the stock sentiments—Labour solidarity and opposition to capitalism—they make themselves, for all purposes of political organization, the unions. The result is that when, as in New South Wales and Victoria, the unions in theory, and the union officials in fact, control the movement, it becomes, not a movement necessarily pursuing the real interests of the wage-earners, but a movement controlled by a group with its own interests to serve, which plays on the ideas

known to flourish in a working class intellectual climate. It does nothing to usher in a collectivist State, but, by bringing forward *simulacra* of radical measures, gives emotional satisfaction to the less intelligent believers in collectivism.

But the economic basis includes voters who are neither trade unionists nor members of political leagues. Many who have no touch of the spirit of loyalty to principle, which is essential to "Labour solidarity", are compelled by the size of their income to live in a working-class environment. Until about ten years ago the framers of Labour policy had only to consider those who could be persuaded to vote Labour. The indifferent did not vote. Compulsory voting has brought the apathetic, the parasitic, and the venal to the poll. This has lowered the tone of public life by making effective a lower type of appeal. The Country Party has been least affected, because the shiftless, the lazy, and the lawless are scattered in rural areas and concentrated in the great cities. Labour, in New South Wales and Victoria, has been affected most, because, to the framers of Labour's policy in those States, Sydney and Melbourne have become more important than the whole Commonwealth. I shall deal honestly with the consequent effects on Labour policy, with complete confidence that I shall be misunderstood. There is a stratum of society, smaller in Australia than in most countries, and considerable only in the larger cities, which is classified as "working class" for the same reason that corpses, vagrants, and deserted children are classified "Church of England". Marx called it the "slum proletariat", distinguished it from the mass of self-respecting wage-earners, and stated that it was mercenary, fickle, and as likely to

support the exploiters as the exploited. But though as distinct from the "good-unionist" as from any other social group, though it comprises potential blacklegs and potential criminals, this submerged stratum must be reckoned part of the economic basis of Labour. Without any conception of social justice, without any desire for the larger life that the earlier Labour Party constantly strove for, this group is readily responsive to the mass bribe and the sadistic pleasure that comes from making the comfortable classes uncomfortable. To the fact that it must vote, and that its votes must be bought by tangible material rewards and crude instinctive solaces, we may attribute much that now masquerades as Labour policy.

An exhaustive survey of the political opinions of the various trade unions is beyond the scope of this paper. Much research spade work is necessary before such a survey can be made. Yet the most cursory glance reveals marked differences of opinion. Some unions are moderate, others militant. Some give little more than lip-service to the political policies of Labour. Some, because of their numbers and financial resources, take the place that the great landed estates held in the feudal kingdoms, and enable their officials to play the part of king-making barons. Others are negligible.

I offer you the information I possess, and draw such meagre conclusions as the facts warrant. The A.W.U. was for long the industrial backbone of the Labour Party. Originally a union of shearers and station hands, it has grown by including other rural workers, cane-cutters and railway construction workers. In New South Wales it has lost its former preponderating position as the result of a struggle between its officials, on the one side, and the leaders of the Miners' Union,

associated with the Sydney Trades and Labour Council, on the other. In Queensland it has gained by absorbing other unions and organizing new agrarian regions. In Western Australia it has more than held its own, and in the other States it is a political and industrial force of considerable importance.

The A.W.U., in general, has reflected the viewpoint of Australian radicalism, and has been but slightly affected by doctrinaire collectivism, whether of the old Second International type or of the new Communist type. This is strikingly exemplified by its effect on the political movement in Queensland. In the eighteen-nineties political Labour in Queensland was radical and doctrinaire. It wanted "Socialism in Our Time". Now it stands for the Social Service State,² which permits, and even encourages, private enterprise, but insists that property must pay "ransom",³ and regards education, provision for the disabled, and help for the weak from whatever cause, as the primary function of the organized community. How far this change of attitude may be due to the increased influence of the A.W.U. I do not know. But it is significant that the Queensland Cabinet, the Executive of the Queensland A.L.P., and the Executive of the Queensland branch of the A.W.U. constitute an interlocking directorate.

The miners' unions have been pronouncedly militant. This, I believe, is because both working and living conditions have produced a mental attitude favourable to revolt.

When the tendency toward integration of trade unions became pronounced, some five and twenty years

² C. Fallon, general secretary A.W.U., Queensland, in a private interview with the writer, "We are not interested in 'isms'."

³ Joseph Chamberlain in putting forward his *Unauthorized Programme*, 1880, asked "What ransom shall Property pay for its security?"

ago, ambitious officials of the miners' unions prepared a fine paper scheme for an overmighty union, in which the miners were to balance the rural workers of the A.W.U., and the smaller craft unions were to take their places as nice, neat little platoons of the proletarian army. The A.W.U. officials flirted with the notion of alliance so long as it appeared probable that the projected One Big Union would be an augmented A.W.U. When the W.I.U. of A.⁴ threatened to become the predominant partner, A.W.U. support was withdrawn. The result was a feud between the chiefs of the two big unions which made impossible any policy for integrating the Unions, and rent the political party in New South Wales. The consequent chaos gave an opportunity to a third group—the "militants", who controlled the Sydney Trades and Labour Council. To understand their success we must glance briefly at the relationship between the political and industrial Labour Movements.

• The alliance between the trade unions and the political Labour Party is effected by different methods in different States. In Western Australia, for instance, both the political leagues and the unions are represented on a single controlling body. In New South Wales and Victoria, the two most highly-industrialized States, there is a central political Executive and an independent Trades and Labour Council. The latter is the highest authority of a loose confederation of trade unions. In the Commonwealth there are an interstate Conference and an interstate Executive, which exercise a theoretically supreme, if actually sporadic, control over the political movement; and a

⁴ The A.M.A. (Miners' Union) taking a major position in the new organization.

body called the Australian Council of Trade Unions, which is a shadowy substitute for a Federation of Trade Unions.

The machinery is inadequate. The A.L.P. is not a properly integrated party. The constitutional impotence of the Federal Parliament in industrial matters has strengthened centrifugal forces in the Labour Party. The result has been the revolt of the New South Wales Executive of the A.L.P. in 1931, and the threatened revolt of the Victorian A.L.P. Conference in 1935. An attempt to establish an industrial body to control all unions in Australia has been made by the setting up of the Australian Council of Trade Unions. This body, however, is viewed with complete distrust by the A.W.U. and by some smaller unions. It has no real claim to represent the unions generally.

But the Trades and Labour Council of Sydney and Melbourne are powerful bodies, which appear to be setting the tone for the Labour Movement in New South Wales and Victoria. I have inadequate knowledge of the Victorian members. They appear to be sincere impossibilists. The New South Wales Trades and Labour Council is easily placed. It is a knot of union secretaries who act as a closely-disciplined staff under the direction of a small dominating group. The commander in chief is Mr John Garden, secretary of the Sydney Trades and Labour Council. The group obtained control of the New South Wales political Labour Movement in 1927, when the old rules were abolished, under which the leagues, in alliance with the A.W.U., had been able to control the annual conference, and through it the party. The new rules gave the predominance to the unions. As I have said earlier, this meant not control by the union members, but by

the trade union officials. The one powerful union in which the majority of the members exercise effective control of their officials is the W.I.U. of A. (the miners). Their job and their home keep them within the narrowing, but exhilarating, wage-earners' "intellectual climate". Their meetings are held to suit the convenience of the workers, not of the officials. And, finally, their attitude toward politics is not a mere grouch, or a querulous demand that someone must do something for them, but a definite belief that public ownership is desirable, and possible, here and now. The coterie at the Sydney Trades Hall commands all the other unions of consequence, except the A.W.U. (which has dissociated itself from politics in New South Wales) and several unions affiliated with Federal A.L.P. It controls the State Parliamentary Labour Party by means of its association with Mr Lang, the leader, who is undisputed master of the Parliamentarians. It controls the legally-conscripted voters who are responsive to the ideas of the wage-earners' "intellectual climate", and to those only, by means of the *Labor Daily*, and by exploiting the cluster of sentiments which cling with oyster-like tenacity to the name of Mr Lang.

The position of the political Labour Movement to-day is extremely interesting to the sociological student, and exasperating beyond measure to the person who wants it to do something. The following meagre conclusions are all that I can make with confidence:

- 1.—The wage-earner is prone to accept certain ideas and react to certain sentiments. The relationships forced on him by his job and by his limited income are the influences which make those ideas and sentiments acceptable. These relationships do not make

him capable of framing or understanding policies suited to his needs, but leave him, unless his character and capacity, or some more potent external influence intervenes effectively, subject to the propaganda of dominating groups.

2.—This susceptibility of the wage-earner to propaganda has enabled other groups to build a powerful political machine. The rigidity of machine methods, the conflicting interests and aims of groups which have struggled to control it, and the inability of the mass of wage-earners to envisage and insist on a comprehensive policy suited to their needs, have produced such instability in the Labour Party, that it is only occasionally an efficient instrument of government. Its function in the community at other times is that of a danger signal intimating that large numbers of the people are suffering social injustice.

3.—The ideas and sentiments generally acceptable to the wage-earner do not indicate that economic, social, and political change will take any definite direction. They indicate one thing clearly, that the income of the wage-earner is insufficient to satisfy the needs aroused by the normal life of the very large class, which consists of those who are both wage-earners and property owners.

THE ECONOMIC BASIS OF THE UNITED AUSTRALIA PARTY

The main purpose of the United Australia Party is to keep the Labour Party out of office. It is not bound together by any principle that it can claim as peculiarly its own. It is the latest of a number of coalitions, or fusions, formed round a Conservative core, but comprising men professing all political creeds compatible with constitutional government. The occasion of its

rise was the failure of the Australian Labour Party to agree to a common, comprehensive policy acceptable to the Commonwealth. Mr Lyons's secession recalls David's flight from Saul, and the famous gathering at the cave at Adullam, except that the mood of the assembled champions was exactly reversed. "And everyone that was *not* in distress, and everyone that was *not* in debt, and everyone that was *not* discontented, gathered themselves unto him; and he became a captain over them."⁵ The party is consequently Conservative in its opposition to collectivism and to policies of monetary reform. But, because of its diverse origin, its attitude towards matters not directly related to property rights is apt to be less conservative than that of some sections of the Labour Movement. For instance, when a private member of the New South Wales Assembly proposed two slight extensions of the grounds for divorce, he received considerable support from members of the U.A.P. and the Country Party, while the New South Wales State Labour Party voted unanimously for a conservative conception of marital relations that must have been acceptable to the shades of Queen Victoria, Pope Leo XIII, and the father of Elizabeth Barrett Browning. The mere existence of the United Australia Party is proof that a man's attitude to economic problems is not the determinant of his attitude to all social problems.

But what fundamental principle *does* the U.A.P. believe in? The Deity, the British Commonwealth of Nations, the League of Nations, the Australian Commonwealth, Justice and Decency? None of these provides a line of party demarcation, though the meaner type of U.A.P. politician attempts, at times, to establish a

⁵ 1 Samuel, xxii: 2.

"corner" in every type of virtue. Protection? Serious criticism of the established fiscal policy is now confined to academic circles. Private enterprise? With the exception of Mr Spooner, and a few members of our State Upper Houses, U.A.P. leaders may fairly be described as "fig-leaf Socialists". It is impossible to discover any integrating principle in the chequered and speckled complicated piece of cabinet-making known as the United Australia Party. "Cabinet-making" perhaps describes it best. My muzzy recollection of Burke's famous description of Chatham's last Ministry is happier than most misquotations. The U.A.P. exists because, in a critical situation, a Cabinet must needs be made. To be kind, after so much cruelty, the highest justification this party can find for its existence is Wellington's famous apology, "The King's Government must be carried on." But Wellington was explaining away an inconsistency.

Then why is this fortuitous conflux of incongruities so strongly entrenched in the Commonwealth, and in the States of New South Wales, Victoria, and South Australia? Let us recur to our formula, "when in doubt look to the economic foundations".

The impulse which startled so many into vigorous action against both the Australian Labour Party and the anomalous body which styles itself "Australian Labour Party, State of New South Wales", was undoubtedly a *determination to defend the rights of property*. I do not wish to minimize the importance of other reactions. There was the feeling that Mr Scullin was "weak", which I believe was without justification. There was the belief that Mr Theodore was "unreliable". This was, I believe, wrong, because Mr Theodore, whatever his past indiscretions, was, at that

moment, fully seized of the problems the Commonwealth had to solve, and, at the moment when he was most reviled, was the man most fitted to control the Treasury. There was the feeling that the "Lang Plan" reflected a new revolutionary spirit permeating the whole Labour Movement, though it was primarily a weapon designed to secure the ascendancy of a faction within the party. All these, however, were important only in so far as they assisted in starting the stampede of property owners.

Undoubtedly threats to property rights produced the reaction of the majority. The landowners, both large and small, were not in fact threatened by either the Theodore Policy or the "Lang Plan". But their feeling—so far as it was not a mere rush to what seemed stable from what seemed risky—was that no property rights were safe if any were threatened. Owners of shares, stocks, fixed deposits, bank balances of any kind, and insurance policies, quite intelligently opposed a reduction in the purchasing power of money. These, with the influence they could wield, were quite enough to carry the elections, despite the overwhelming majority of wage-earners in the community.

What becomes, then, of my conception of a wage-earner's "intellectual climate" which nourishes ideas and sentiments, making for economic change. It co-exists with a property-owner's "intellectual climate", which spreads further. A large section of the Australian public is susceptible alternately to the ideas and sentiments grown in both "intellectual climates". As Euclid discovered long ago, the absurd is a good illustration of the real. Let me illustrate the dilemma of the wage-earner, who is also a modest property-owner, by quoting the experience of a friend of mine.

In 1919 the price of leather had risen greatly, and was fluctuating. My friend had a handful of shares in a tannery. His business and recreations caused him to wear out a good many shoes, and he had a family. Every night, as he took off his boots, he hoped the price of leather would rise so that he would get an increased return from his shares. Every morning, as he put on his boots, he hoped the price of leather would fall so that he could buy shoes for his family at a reasonable price. Now the dilemma of the wage-earner who has his life insured, a little balance in the bank, and some property in tangible things does not present such a nice equipoise as that of my friend.

The wage-earner above the minimum knows from experience that, within very wide limits, the scale of expenditure can be adjusted to income, but that accumulated property, once lost, is probably lost for ever. Income, in the main, is something that comes with moderate effort, but property is something that has been won by sacrifice and effort beyond the ordinary. So the small property-owner is a self-conscripted soldier who must fight for the large property owner. These owners of little properties are the *marginal* supporters of the U.A.P. Its continuance in power depends on the spread of the margin.

But the U.A.P. has constant supporters, and its hope of continued existence must be in these; or its hope that, after its almost certain destruction, a new political combination will appear to oppose any movement that seriously threatens property rights. Many are not moved by economic considerations, nor can their support be reckoned a product of the property owners' "intellectual climate". Whether their attitude is grounded in error or fact is immaterial. Many honest

poor people support the U.A.P., as they supported its Conservative predecessors, and will support its successors, because they think it stands for great traditions and for sound government.

But behind them stand the great propertied interests of the country. It cannot be contended seriously that, at the present moment, any great group of business interests would oppose the U.A.P. Party. The manufacturers have had a fleeting alliance with Labour. Certain other special business interests, such as the brewers, and a few buccaneer entrepreneurs, have shown favours to Labour. But the importers, the wholesale traders, the great retail business men, the manufacturers, the private banks and the insurance companies stand solidly as the economic foundation of the Conservative core in the U.A.P.

We need pay little attention to the U.A.P. political machine. Unlike the Labour machine, it is not intended to be an instrument of government. It is a weapon to win elections. There are leagues, conferences, platforms, and so on; but the political leaders disregard these at will. If there is an outside body controlling, or even seriously influencing, U.A.P. policy, it is neither the elected Executive nor the enrolled members of the party.

I believe there is an outside influence, which applies continuous pressure to the political leaders of the United Australia Party. The existence of a body called the Consultative Council in Sydney, and of similar bodies in other capitals, may or may not be evidence. Even if the Consultative Council were a coterie of philanthropists, interested in nothing but the welfare of their less fortunate brethren, no serious student of politics could doubt that the interests of large-scale

businesses are placed before U.A.P. Party leaders expressly with the intention of influencing policy. And the views thus presented, so quietly yet so persuasively, represent the interests primarily of the great property-owners, as distinct from the interests of small property-owners and of wage-earners. It is true that these three different sets of interests sometimes coincide; it is equally true that sometimes they do not.

The pressure of large property-owners can be made manifest, if other methods fail, by the giving or withholding of party funds. The Hon. D. R. Hall has given convincing evidence, in his paper, of the enormously-increased cost of elections since the Commonwealth began, and of the consequent dependence of candidates on party funds. Whence come those funds? Not, to any appreciable extent, from the small annual subscriptions of members of political leagues. They come from wealthy men whose wealth will be increased if certain policies are adopted, and diminished if certain other policies are pursued. "Business is business." Is it feasible that business men put money into campaign funds at the prompting of unbusinesslike motives? I do not know the precise conditions on which large donations are made to party funds. But does any sane person believe that a Prime Minister calls into council the best and wisest men he can find, considers every conflicting interest in the Commonwealth with god-like detachment, lays down a policy, and that the money that is to pay for radio, Press, platform, and election transport thereupon drops like manna from a heaven inhabited solely by public-spirited, wealthy archangels? Yet political morality demands that one kind of gift alone should be accepted by political parties—a gift given, without stated or

implied conditions, to support a policy that was not framed to attract the gift.

All this is inference from a very few facts. So is the unbroken chain of circumstantial evidence that sends the criminal to deserved punishment.

I find this conclusion irresistible. The small, wealthy groups that wield the final measure of control in our great industries are the economic bases of the Conservative core in the United Australia Party. I do not say they control that party. An independent and forceful leader may be the actual author of the major measures his party brings forward. He may be free from all taint of subservience. But he must heed the views of big business men, whatever relation those views bear to the common good. He must be a leader of iron fibre to ensure that "principles" will not be swamped by "interests".

THE COUNTRY PARTY

• The Country Party requires no close analysis. Its claim to represent every rural interest is untenable. Both the United Australia Party and the Australian Labour Party hold country constituencies. It is significant that the New South Wales Labour Party holds none. Revolt against the revolutionary tendencies in the Labour Movement which have isolated the followers of Mr Lang in New South Wales, is one reason for the existence of the Country Party. The other is the burden imposed by tariff-sheltered industries on the landowner. The Country Party is thus distinguished from the two major parties by being sectional, in a double sense. Geography separates it from the U.A.P.; economics from Labour. Its protest was justified. But no great movement was ever nourished on protest

alone. Positive faith and permanent policy are necessary. Neither has been found by the parochial band of Ishmaelites who follow Dr Page. When individualism suits their sectional interest they out-Spencer Spencer. When collectivism is the card to play, they make Mr Lang appear a stern champion of the rights of property. After attacking the policy of Protection with a vigour that Cobden would have thought excessive, they slunk under the umbrella of "Protection All Round", leaving nothing but the all-enduring sheep to face the rigour of the economic weather. Opportunism is their watchword; the shifts of the hour their programme. Their economic basis is discoverable at a glance. No section of wage-earners, organized or unorganized, supports them steadily, or exercises the slightest influence on their policy. Landowners, large and small, and other groups of property-owners whose interests are bound up with those of landowners, provide their sole material foundation.

CONCLUSION

The conclusions that emerge from my analysis may seem scanty and unfruitful. Environment, which is largely conditioned by economic relationships, produces, in most people, a tendency to accept or reject policies without proper consideration of their effect on the community. Policies, which may or may not benefit the community, are ingenerated by the conscious determination of powerful groups to secure material advantage. The clash of conflicting groups commonly secures compromise. But there is no certainty that it always will, and there is not even a probability that the compromise that commonly comes is the solution that the magnanimous and wise would desire. If

Truth, in its completeness, is no fairer than the truths I have found, Hope has no place among us.

It is not my allotted task to nourish your hopes or my own. I have been commissioned to find light, not fruit. I should have been false to my trust had I pretended that things were otherwise than they seemed, to eyes that I have tried to keep unclouded by prejudice or illusion. But there are other and, I hope, better visions, for honest eyes.

When Darwin deliberately turned his closest scrutiny, for many weary months, to the lowly habits of earthworms, he did not forget that above his head was the spacious firmament and the glorious sun. Neither have I forgotten that there is a Commonwealth of which we are all members, and a lofty conception of public welfare, which transcends all personal and sectional purposes. My conclusions will, I trust, be of service to those who seek the common good.

DISCUSSION

SIR HARRISON MOORE (Melbourne) questioned the assumption that property interests were confined to a small section of the community. He referred to a recent investigation, in Great Britain, which showed that the investments characteristic of the small-savings class had risen, in the period 1913-1933, from £498 million to £2,500 million. That five-fold increase spelt something very like a social revolution.

The real Socialists in Australia, he thought, were the Country Party, for their policy pointed in the direction of the supersession of private property by public property. Farmers were being guaranteed against the risks of fluctuating markets, of droughts, storms, and floods. Property was thus being freed from the liabilities usually associated with its ownership, and people, urged to make sacrifices to preserve such an institution, would soon begin to ask for more definite evidences that this form of property really served the common good. They would then begin to assert that the property in question should be held in name, and, in fact, by the com-

munity, instead of by the individuals who were endeavouring to exploit it.

MR LLOYD ROSS (Sydney) thought that Mr McCallum had placed too much emphasis on the power of the Labour machine. One of the main characteristics of Labour in the nineties had been the spread of an amazing amount of reading-matter among the rank and file. Likewise, to-day, thousands of workers read books and pamphlets, as well as the *Labor Daily*. Mr Lang was strong in New South Wales, not merely because he dominated the machine, but because thousands of workers, on the edge of unemployment, and with ideas and aspirations for a different social order, believed that he was leading them in the direction suggested to them by their own reading and daily experience.

MR MCCALLUM (in reply): "The growth in the number of small property-owners, referred to by Sir Harrison Moore, increases the power of the wealthy few, for they control the investments of these small men. With regard to the amount of reading done by the workers, I agree that the thinking rank and file forms a not inconsiderable section of the Labour Movement. But, during elections, at all events, this section is definitely swamped by the large unthinking group which responds merely to emotional appeals of a bad type. For this, compulsory voting is very largely responsible."

THE CONSTITUTION UNDER STRAIN¹

By E. L. PIESSE

I. INTRODUCTORY

(a) *The Expectations from Federation.*

THE high enthusiasms and fervent hopes, the consciousness of aspirations and needs of a national community, the extent and sincerity of sentiment for union, that were displayed in the campaigns for Federation and at the establishment of the Commonwealth are within the memory of many of us. Inaugurated, as its first historians proudly recorded, "on the first day of the twentieth century", Federation was to bring about a new era of national life; for the first time in history "a nation for a continent and a continent for a nation", "an indestructible union of indestructible states", "one people one destiny". Tired of "thinking parochially", of "provincial selfishness and jealousy and suspicion", the Federal leaders called on Australia to enter "a larger national life"; "united for high purposes to take her station among the free nations of the world", and so to achieve "increased national honour and added national dignity". Asquith in the House of Commons hailed the Commonwealth as "A whole which we believe is destined to be greater than the sum of its component parts, and which, without draining them of any of their life, will give to them

¹ In this paper, use has been made by the writer of an article by him in the *Economic Record* of June, 1934.

in their corporate unity, a freedom of development, a scale of interests, a dignity of stature, which, alone and separated, they could never command".

A national Parliament was to provide the forum for questions arising from the growth of elements of the national life which a united Australia alone could deal with adequately. Federation was to provide also for the effective defence of Australia, then first (for the earlier French and Russian "scares" of the sixties and eighties had left little mark) coming to be thought of as a matter of importance; for action, on behalf of Australia as a whole, in respect of the restriction of coloured immigrants and of Australian interests in the Pacific; and, to come to matters of more immediate effect, it was to promote trade and increase wealth, by removing the customs barriers between the colonies.

(b) *Federation Since 1914.*

Until the outbreak of the World War, the Federation may be said to have been on trial by States very much biased in its favour; and their verdict was on the whole favourable, as to trade, defence, and external relations, with perhaps less to be said of its aid to the growth of national life, and national sentiment, and cultural enrichment, and much against its course in Government finance. During the war the Federation made good; although money was lavished with the recklessness of inexperience, Australia's part in the war was well managed by the Federal Government, and Federation, there was no question, justified itself in its material ends. There was no doubt, also, that in the stress of war some of the other ends which the Founding Fathers foresaw were accomplished;

Australia's union served a high purpose, she took her station among the nations of the world, achieved increased national honour and added national dignity, and she seemed to have entered a larger national life.

The twenties, however, brought disappointment and disillusionment to the States, which the thirties have continued. In part these have resulted from the economic upsets brought about by the war, but in part also from the policy of Governments. The strength of Federal sentiment was not strong enough to keep us to a wise course amid post-war difficulties. The Navigation Act came into force soon after the war, with embarrassing consequences for the smaller States, and indeed for all interstate trade; in 1920 the High Court, reversing its policy of half a generation, took away from State Parliaments the control of wages in State instrumentalities; Federal revenues were greater than Federal needs, and gross extravagance prevailed, while many of the States were in difficulties; higher and yet higher customs tariffs served the interests of the industries of the larger States, but tended to impoverish the people of the smaller; the Federal Parliament levied new and higher taxes in spheres from which the States might have derived revenues; an arrogant administration from Melbourne, and now from Canberra, estranged the State Governments; the establishment of Canberra increased the misgivings of the more distant States; and five years ago the economic crisis brought anxieties to State Governments, which the more sympathetic policy and closer touch maintained during the depression by the Federal Government have been unable to alleviate.

II. THE DISSATISFACTION IN THE SMALL STATES

The result is general dissatisfaction with the Federal union, a dissatisfaction which is evident in every State, and especially in the three of smallest population—Tasmania, South Australia, and Western Australia. In each of these States—two of them geographically separated from the other States, Tasmania by a sea of water and Western Australia by what has been called a sea of sand—dissatisfaction has gone to the stage of discussing secession from the Commonwealth. In South Australia, although a Secession Budget was prepared some years ago, this was rather by way of support of the claims of a State desiring to remain within the Federation, and it would seem that there is no strong wish to secede, even if secession were thought to be financially possible. In Tasmania, advocacy of secession by a small group has persisted for many years. It is mainly those who are hurt by the Navigation Act who would leave the Federation. Discontent with Federation appears to grow, and there may be more people now than ten years ago who would favour separation, but, as in South Australia, Government finance could scarcely bear the loss of Commonwealth subsidies, and Tasmanian producers, dependent on the mainland for the bulk of their markets, could not afford to risk a tariff barrier to their trade.

III. WESTERN AUSTRALIA'S CASE FOR SECESSION

It is only in Western Australia that the movement for secession has been popular and well organized. The extent to which dissatisfaction has gone in Western Australia, and its substantial grounds, are scarcely realized in "Eastern Australia", as the other States of Australia are called by the writers of *The Case of the People of Western Australia in support of*

their desire to withdraw from the Commonwealth of Australia, prepared by the Government of Western Australia and published in March, 1934.

This statement of nearly five hundred pages, ably and persuasively written, is a stern denunciation of the course of Federal policy, which all Australians would do well to study and ponder.

(a) Western Australia a Separate Economic Unit.

The writers, it is true, ascribe the present predicament of Western Australia in large part to conditions which no policy could alleviate. Describing Australia's physical features, they assert that there are two economic units in Australia, namely Western Australia and Eastern Australia. The idea may be unfamiliar to many in Eastern Australia; it seems to have been a discovery of Professor Shann, of the University of Western Australia. In his evidence in 1927 before the Royal Commission on the Commonwealth Constitution he said that "geographically, the Australian communities consist of (a) A continental mass in the east and south-east, containing a very wide range of resources and perhaps capable, in the near future, of a degree of self-sufficiency comparable to that attained by France or the United States; and (b) Two insular areas, in Tasmania and Western Australia, unlikely, for various reasons, to develop the status of supplementary economics"; and that "Western Australia is like New Zealand in its insular detachment and its concentration upon primary production—only more so." The separation of the two areas, by distance and by the intervening arid region, is undoubted; but few facts are given in the *Case*, or in the passages cited from Professor Shann's evidence

(App. 59), to make good the view that the two areas are economically unsuited for union. The writers of the *Case*, however, regard the clash between the economic necessities of Eastern and Western Australia as the reason for Western Australia's main disabilities; and it is a central feature of their statement that the economic clash is so serious that no remedial measures within Federation are possible, and therefore that secession is the only remedy for the threatened "dislocation of the whole economic structure and social fabric of the State" (p. 320). "There is no escape from the irresistible conclusion that it is a practical impossibility to give Western Australia a satisfactory place in any system having for its object the centralized government, either wholly or in part, of the continent of Australia. From the very nature of things, the government of Western Australia from Canberra is ruinous to Western Australia, and is, therefore, not in the best interests of Australia" (p. 341).

(b) *Interstate Free Trade and the Tariff.*

The main counts against the Commonwealth are the customs union, that gives the manufactures of Eastern Australia free entry to the markets of Western Australia, and the high level of the tariff. Western Australia, it is pointed out, is predominantly a country of primary production; approximately 80% of total production is primary (the average for Australia is about 66%); two-thirds of the total production, and 90% of the wheat, is exported. To primary producers, as elsewhere in Australia, the high tariff has been a grievous burden, and there has been no compensation, as in the larger States of "Eastern Australia", through the growth of a local market

among factory operatives. The growth of such a market, even to the extent which the comparatively small population of Western Australia would justify, has been impeded, it is asserted, by "The relentless competition of the powerful manufacturers of the Eastern States", (p. 283), who, it is alleged (although only one instance is given), "resort to the sporadic dumping of their products into Western Australia". (Adequate weight does not seem to be given, however, to the consideration that if manufacturing in Western Australia costs more, owing to its small scale, and lower-priced products are imported, this is all to the advantage of the primary producer whose interests are said to be the main concern of the State.) After a survey of the facts, the writers of the *Case* venture on the generalization that "It is very doubtful whether this extraordinary and intolerable position, in which Western Australia thus finds herself, has any parallel in any other part of the world" (p. 286).

For the double evils of restricted opportunity of manufacturing and increased cost of primary production, tariff autonomy for Western Australia may seem a likely remedy. This indeed was the recommendation of the majority of the Royal Commission in 1925 on the Disabilities of Western Australia under Federation. But the *Case* rejects tariff autonomy (Chapter 17). The reasons given are that there are other interdependent factors resulting from Federation that gravely affect the State. One is the alleged danger that its budget may be dislocated by an award of the Commonwealth Arbitration Court in respect of employees of the State: and that action by the Commonwealth in respect of such matters as finance,

exchange, bounties, State grants, navigation, quarantine, taxation, export control, might nullify the advantages of tariff autonomy. "The people of Western Australia have learned from actual experience under Federation that 'the means to do ill deeds makes ill deeds done'" (p. 355). But the more important of these matters—such as the sphere of the Commonwealth Arbitration Court and control of navigation—are susceptible of reform, and Western Australia would not be alone in wishing to see a contraction of Federal powers. The *Case* assumes, too, that tariff autonomy would be refused by the Commonwealth; but this is to underestimate the effect of its own very powerful statements. Tariff autonomy, with other reforms, seems a not improbable alternative to secession.

But if Western Australia does get tariff autonomy, either as a part of the Commonwealth or as a separate community, the conjecture may be ventured that it will be far from an end of its troubles. A community that exports two-thirds of its primary production—of wheat the export is 90%—has no easy role in the modern world. Primary production may have to be restricted; in any case the demand of the primary producer for lower costs will continue. As in the larger States of Eastern Australia, half of the population is in the capital city; that population is sure to insist on more factories, and that will mean a high tariff; the production of those factories, being on a small scale, is certain to be much dearer than the present importations from Eastern Australia; and conflict of interest between farmer and factory operative will be intensified.

(c) *Encroachments of Federal Powers.*

The economic conditions that result from geographical situation and Federal policy, and their effects on private prosperity and State finances, are stated as the main grounds for claiming secession. But there are others, of no less interest to Eastern Australians. It is asserted that the Commonwealth Constitution "instead of assuring unto the States their corporate life and separate existence, contains the machinery with which the Commonwealth can destroy the States; and it is the improper and unreasonable use of this machinery which the people of Western Australia allege is gradually not only crippling, but will ultimately destroy Western Australia as a separate corporate community" (p. 38). There is a long statement of what are stigmatized as moral and legal breaches of the agreement by which Federation was achieved; the Engineers' Case of 1920, by which the Commonwealth Arbitration Court obtained control of the wages and conditions of work of State employees; the powers obtained by the Commonwealth under section 105A of the Constitution (financial agreements with the States) and their "unexpected interpretation" by the High Court which "has given the Commonwealth a power which definitely attacks and undermines the sovereign and independent rights of the States as self-governing communities" (p. 91); the evasion, by the Surplus Revenue Act, 1910, and the creation of trust funds, of the obligation to pay surplus revenue to the States; the imposition of duties on goods imported by the State Governments; the appropriation of surplus revenues, while the States were in financial distress, for purposes unauthorized by the Constitution. "The States are saddled with responsibilities.

The Commonwealth has the power. Power without responsibility has ever been dangerous; it sets too hard a strain on the virtue of ordinary men. The States still have their pressing and important obligations, but they have been deprived of their legitimate sources of revenue. Gone are the financial security and independence of the States, the guarantee of which alone enabled Federation to become an accomplished fact; and with it has gone the financial stability of Australia as a whole. Federation is a financial sham" (p. 81).

(d) Effects on Public Finances.

In Chapter 7 the effect of Federation upon the public finances of Western Australia is discussed. It is said that Western Australia has had fewer surpluses since Federation than any other State. There does not seem, however, to be any comparison of amounts. The writers seem to take for granted that Western Australia is in a worse position than other States; and they assert that "The deficits of the State are not due to extravagance in the public administration, or to an inadequate scale of taxation" (p. 167). But it seems pertinent to point out that, tested by the growth of population, Western Australia does not seem to have done so badly under Federation. From 1901 to 1933 the population grew by 138%; from 1921 to 1933 (the period in which disabilities are claimed to have been at their worst) by 32%. The figures for the State that is commonly thought to have the greatest prospects of development, and has received great benefits from Federal fiscal policy, Queensland, are 90% and 25%; for the Commonwealth as a whole 76% and 22%.

IV. THE COMMONWEALTH'S REPLY—THE CASE FOR UNION

To this *Case for Secession* the Commonwealth Government published in July, 1934, a somewhat hastily-written and hastily-printed reply—The *Case for Union*, in which, in the manner of exultant debaters, the writers meet point by point the arguments and statements of the secessionists of Western Australia.

(a) *Effects of War and Economic Crisis Overlooked by Western Australia.*

Before discussing the particular grounds upon which the *Case for Secession* relies, the writers of the *Case for Union* argue that, in laying on Federation the blame for the ills that afflict Western Australia, and in proposing secession as a remedy likely to remove them, the *Case for Secession* neglects the changes that have taken place in the world since Western Australia joined the other States. The changes of the greatest importance are those that resulted from two cataclysms—the World War and the economic collapse of the last five years. These, says the *Case for Union*, were not only the main causes of the present conditions that afflict Western Australia, but they afforded the Commonwealth such opportunities for testing and developing its powers as should justify continued reliance upon it. The world has now become a field for economic planning on a national scale, accompanied by world bargaining for export markets. Western Australia by itself would be too small to hold her own in such conditions. The present trend of world affairs has increased the need for, and the scope of, Commonwealth-wide policy. "The power and the machinery to take the necessary action to

meet the changing conditions is possessed, and can only be efficiently possessed in Australia, by the Commonwealth with its continent-wide authority. . . . This, then, is the broad position. A Commonwealth, founded thirty-four years ago, under conditions of general repose, has been obliged, in its short life, to meet two national crises of the first magnitude—a world war and a world economic upheaval, either one of which was a supreme test of the metal of its structure. That it has met them both in a manner which has compelled world attention, surely justifies confidence in its capacity to shoulder the greater national and economic responsibility which the changes in the world now impose." (*Case for Union*, p. 13.) The writers of the *Case for Secession* leave these overriding national considerations out of the picture, and the grounds they adduce, whatever weight they have as claims for adjustment within the framework of Federation, "fall absurdly short", the *Case for Union* asserts, "of justifying severance of the bond which has been the State's salvation in time of trouble and is the strongest guarantee of its future welfare" (p. 14).

(b) *The Particular Grounds for Secession Discussed.*

The *Case for Union* then passes to a discussion of the particular grounds set out in the *Case for Secession*. To the tariff there is given a long chapter, most of it fit rather for expert than for general discussion. It admits that the tariff policy of Australia bears with more than average severity upon Western Australia, and that the State has a justifiable claim for compensation. But its discussion of the effect of the tariff is somewhat in the manner of a debater who clutches at details that seem to help his side. It is

not, any more than the attack in the *Case for Secession*, a satisfying discussion of the effect of the tariff on a State whose production is mainly primary, and it can do little towards convincing the primary producers of Western Australia that the tariff is not a grave burden to them.

In another chapter, the *Case for Union* answers the assertion of the *Case for Secession* that the balance of the Constitution has been upset, and State rights declared by the Constitution have been rendered nugatory. The *Case for Union* gives a careful account of the cases in the High Court, in which the doctrine of mutual non-interference between States and Commonwealth has been considered. The Engineers' Case of 1920—which decided that trading concerns owned by the State of Western Australia were subject to the Commonwealth Arbitration Act—established, the *Case for Union* asserts, that the Constitution means just what it says. The Commonwealth, within the scope of its own subject-matters, is not subject to limitations imposed by the States. But the comment seems to be pertinent that, if the High Court now takes the view that the language of the Constitution is to be read without any implied doctrine of mutual non-interference, this was not the intention of some of the most prominent of the draftsmen of the Constitution, or the view that was prevalent when the former colonies entered into Federation. They supposed that they were entering a union in which non-interference would prevail, and it seems to be far from an answer to Western Australia to say that the High Court has now held that the language of the Constitution means what it says, if that meaning is fundamentally different from what was intended.

(c) *Defence.*

One of the last chapters of the *Case for Secession* is given to the question of defence. It is asserted that the Commonwealth system of defence is ineffective to protect Western Australia. The coastal armaments are obsolete and scanty, and the military forces in Western Australia insufficient; while the defence establishments of Australia, the fleet and the naval bases, the fighting planes and the aerodromes, and the munition factories, are on the eastern coast of Australia, further away from Western Australia than is Singapore. As a separate dominion, it is said, Western Australia could not be more undefended, or more vulnerable or exposed to any greater danger than she is to-day; on the contrary, her present *per capita* quota of the defence expenditure of the Commonwealth could be applied towards building up the defence service in Western Australia. The summary of Western Australia's position for defence ends with the assertion that for anything more than local defence against raiders, a separated Western Australia would then, as now, be in the same position as other parts of the Empire, plans for the defence of which in an emergency devolve upon the Imperial Authorities. (*Case for Secession*, p. 451.)

To these assertions, a reply is made in a memorandum by the Commonwealth Committee of Defence, printed as an appendix to the *Case for Union*. Some statements of fact are controverted, and information is given of the scale of Australia's preparations for defence, and as to the general policy underlying these preparations. As to the scale of preparations, one gets the impression that Western Australia is in little worse case than any other State; for any grave emer-

gency there seem to be few preparations adequate for any of the States. The Commonwealth Committee of Defence pens a few high-sounding sentences about Empire co-operation and expansion of effort. But what could all this come to, in the present circumstances of the world, if Britain's now scanty navy had to be kept in European waters, at a time when there was a naval war in the Pacific? It seems clear that plans for "anything more than local defence against 'raiders'", devolving though they do on the Imperial authorities, could scarcely result in effective action for protection of Australia's trade routes. To that extent, the complaint that the Commonwealth's preparations for defence are quite inadequate for Western Australia seems well founded; but what ground is there for hoping that as a separate dominion she would be better off?

(d) *The Anti-Federal Feeling in Western Australia.*

• There are many other points, of assertion and reply, that are debated in the two *Cases*. But it is not worth while to go through them, since the issue of secession does not seem likely to be greatly affected by such discussion. "Fundamentally, the case for Secession rests upon the urgent desire of the people of Western Australia to withdraw from the Federal Commonwealth of Australia." (*Case for Secession*, p. 328.) If the *Case for Secession* could be taken as an indication of general feeling in Western Australia, we should be forced to conclude that there is now an estrangement, not likely to be affected by debate, although it might be softened by positive action. If such an estrangement exists, there can be few facts of greater importance.

High enthusiasm and great expectations, generally prevalent as they were when the Commonwealth was inaugurated, did not last long; it was only during the World War and under Mr Hughes that Australia had an intensity of national feeling and national aspiration comparable with those of 1901. Mr Hughes's successors of the last ten years have all had a drabness of speech and idea; and the events of late years have scarcely given occasion for thoughts of the larger national life, the dignity of stature, the cultural achievements that Federation was to bring. But it may be doubted whether any State of Eastern Australia would put forth a full and reasoned discussion of Federation and its results, so devoid of any feeling for national unity, and of any appreciation of what Federation has done for national thought in all the States, as is this *Case of the People of Western Australia*. The writers say—as none will doubt—that Western Australians will remain good Australians after withdrawal as they were before and have been in Federation. "The withdrawal of Western Australia does not involve the severance of a race" (p. 430). But nothing is said of any cultural loss, of any loss in ideas or opportunity for achievement, that might result. We must conclude that, in the view of the writers, Federation has failed in these, as in its material ends. Rather than stressing what Western Australians have in common with other Australians, the writers claim distinctive qualities for Western Australians—"A rugged individuality of their own" (p. 374); "that distinctive individuality of which they are so proud, and which has earned and enjoyed respect and admiration far beyond the boundaries of this State" (p. 372). The emotional appeal in one passage

is in such phrases as "a British community", "British freedom", "British justice", "sincere loyalty to the British Crown and Throne"; in another "The not necessarily unmixed blessing of listening to an Australian-wide broadcasting programme" is contrasted with "the pleasure and pride with which the people of Western Australia listened to the King's message on Christmas Day" (broadcast though it was through an Australian station); and one of the objects of secession is to "afford greater opportunities for co-operation between the people of Great Britain and the people of Western Australia" (p. 482).

V. THE COMMONWEALTH GRANTS COMMISSION'S REPORT ON DISABILITIES

(a) *Financial Relations of Commonwealth and States.*

"Disability" has come to have a special meaning in the relation of States and Commonwealth. It is used of circumstances peculiar to one or more of the States that result in loss of revenue, or other unfavourable financial effects on State budgets. In this sense disabilities have prevailed from the very beginning of Federation. To meet Western Australia's special circumstances, section 95 of the Constitution gave her certain revenues from customs duties during the first five years of Federation. Soon after, in 1910, the period of the Braddon Clause terminated, and the Commonwealth became able to use a larger proportion of its revenues from customs and excise than the one-fourth to which that clause restricted it during that period. Western Australia and Tasmania were given special grants to aid their revenues, and these have continued ever since. The grants to Western Australia varied from £110,000 in 1924-25 to £600,000 in 1934-35; those to Tasmania from £85,000 a year in the early twenties

to £380,000 in 1933-34. In 1929-30 grants to South Australia commenced; the amount has varied from £360,000 in that year to over £1,000,000 a year in the last four years. Despite these grants, the proportion of customs and excise revenue paid to the States up to the commencement of the Financial Agreement of 1927, was only 53%.

The first report of the Commonwealth Grants Commission, published in July, 1934, sets out, for the several States, the causes that made these grants necessary. Apart from such particular causes, there were general circumstances that favoured the Commonwealth at the expense of the States. Foremost among these was the absence of any adjustment, for changes in the value of money, of the payment of 25s. a head to the States agreed on in 1909. During the twenties the value which money had in 1909 was nearly halved. Decrease in the value of money caused Commonwealth revenues to soar, but there was no provision for enabling the States to share, while State expenditure rose as the value of money declined.

"The later years of the *per capita* period", write the members of the Commonwealth Grants Commission, "showed the Commonwealth in a position of definite financial superiority. The States had never actually recovered from the war period, and their difficulties were accentuated by the policy of very heavy borrowing for developmental projects, which were beginning to fail almost as soon as they were begun. . . . Losses on the services on which this loan money was spent, are more than sufficient to account for all the State deficits." (*Report of Commonwealth Grants Commission*, 1934, p. 25.)

(b) *South Australia's Claim.*

South Australia claimed before the Commission that she was entitled to increased assistance, because of the losses to the State revenue from the changes in the method of distributing surplus Commonwealth revenues; the general impact of Federal policy on State policy and finance; the unequal incidence of the customs tariff; the burden arising from industrial policy; the effects of the Navigation Act, and the special financial difficulties of the State.

"Federal policy since 1900". it is asserted in the *Case for South Australia*, 1933, submitted to the Grants Commission, "has whittled away the provisions made by the framers of the Constitution until the original plan has been nullified. Schemes of a temporary nature have merely expired, or have been replaced by conditions inimical to the States, and particularly adverse to the weaker States. The relationship of the Federal Parliament towards the States has been one of increasing dominance. It has persistently refused to recognize the need for some definite scheme for ensuring continuous financial adjustments as required from time to time—a need which is recognized as inherent in any Federal system, and which was clearly contemplated by the framers of the Constitution of Australia." (Quoted in *Report of Commonwealth Grants Commission*, p. 35.)

"The burden of the tariff on South Australia", says the *Case for South Australia*, "is even more severe to-day than it was when the Australian Tariff Committee made its inquiries. . . .

"Side by side with the high tariff there have been the activities of the Commonwealth Arbitration Court. The Court and the Tariff in conjunction have affected

to a marked degree the life of every citizen of the Commonwealth. The existence of two authorities, State and Federal, for determining wages and conditions, has been a heavy burden to employers. The States, as large employers, have been seriously affected by decisions of the Federal Court.

"As a corollary to the tariff and the Arbitration Court there is the Navigation Act, under which coastal shipping has become a fairly close preserve for vessels worked under artificial conditions.

"The imposition of direct taxes, particularly Federal income tax, is an invasion of the field of taxation which originally had been left to the States. It was no doubt necessary to meet war expenditure, and, had Federation not occurred, the States would have had to increase taxation to meet their own war costs, but probably not to the same extent." (Quoted in *Report of Commonwealth Grants Commission*, p. 36.)

(c) *Western Australia's Claim.*

Western Australia's claim to the Grants Commission for increased assistance was mainly on the following grounds:

"The losses suffered by the State owing to the various changes made in the methods of adjusting the financial relations of the Commonwealth and the States.

"The unequal incidence of the Tariff.

"The impact of Federal policy generally on State policy and finance.

"The disabilities of the State arising from the development, control, and maintenance of a large territory with a relatively small population and limited resources.

"Isolation from the large centres of population of Australia.

"Special dependence on primary industries.

"Inability of the State to develop adequately its secondary industries owing to interstate free trade.

"The effects of the foregoing on the finances of the State." (*Report of Grants Commission*, p. 40.)

(d) *Tasmania's Claim.*

Tasmania's claim was based on the following grounds:

"That the State is suffering from the economic effects of Federation and Federal policy—notably from the effects of the protective tariff, the Navigation Act, and industrial arbitration.

"That the financial assistance from the Commonwealth to the State in the past has been inadequate, and sometimes embarrassing, to the State.

"That the State has been forced to carry on essential services at a standard much below that of other States.

"That the State has been forced to adopt the unfortunate expedient of charging to loan funds expenditure properly chargeable to revenue.

"That the State has found it impossible to maintain adequately the assets of the State, and that the cumulative effect of this has seriously impaired the financial stability of the State.

"That the State has been unable to provide adequate assistance or facilities for necessary development of the resources of the State.

"That, owing to the physical characteristics of the State, the cost of development has been relatively high.

"Low taxable capacity.

"Small population.

"Small proportion of the State capable of economic development.

"Adverse influences of the foregoing on the finances of the State."

(e) *General Advantages to Claimant States.*

Before considering the validity of these grounds, the *Report of the Grants Commission*—a most careful and closely reasoned document, as far as the poles asunder in method and style from the *Case for Union*—points out that the three claimant States shared with New South Wales, Victoria, and Queensland in certain general advantages from the Commonwealth—a common defence policy; the operations of the Commonwealth Bank and the Australian Loan Council; a common policy in external affairs; immigration policy; the general effect of the Financial Agreement, under which the credit and organization of the Commonwealth supported borrowings of the States; common policy in banking, currency, and credit; services and investigations of the Health Department, the Council for Scientific and Industrial Research and other departments; and benefits to exporters from exchange. Each of the three States enjoyed also certain particular advantages: South Australia, in connection with railways and the taking over of the Northern Territory, and various bounties; Western Australia from railways and bounties; Tasmania from lottery taxation and subsidies for shipping services; while all of them had had substantial benefits from the Commonwealth's assumption of liability for part of the losses on soldier settlement.

(f) *The Clash of Development Policies—Protection and Land Settlement.*

In Chapter IV of its report, the Grants Commission attempts a general picture of the Australian conditions from which the disabilities of the States have arisen. There has been, it concludes, an interaction of two development policies, the beneficiaries of each suffering from the effects of the other. The Commonwealth has been engaged, through protection, in developing secondary industry; the States in the development of primary production through assistance to land settlement. As secondary industries tend to be developed in the eastern States, near the main centres of population and the cheapest supplies of power, the clash between these policies, between the interests of primary and secondary industries, tends to become a clash between the more largely-populated eastern States of Victoria and New South Wales, and the sparsely-settled marginal States of South Australia, Western Australia, and Tasmania, the three claimant States before the Commission.

As to the tariffs, the Commission cites the conclusions of the Tariff Committee of 1929, that protection had enabled an increase of population to take place; that the population so encouraged was greater than could have been absorbed on marginal land with a diminishing scale of returns; and that the policy of protection was, therefore, in every sense a developmental policy, but it involved increased costs for other production, and the main burden settled upon export industry. To these conclusions the Commission adds that the cost which protection involves must be regarded in the same light as running railways or supplying irrigation water below cost,

Complementary to this policy was the assistance afforded by the States to primary production, in part by direct subsidy and in part by taking the risk involved in large scale capital expenditure. "In many cases the risk resulted in loss, and these losses constitute the chief item in the budgetary difficulties of the States. The States pursued their policy of development cautiously up to the date of the war, but after the war much less restraint was exhibited. Leaders in Great Britain and the Commonwealth were preaching the duty of Australia to settle migrants, and this was a contributing factor in post-war development." (*Report*, p. 60.)

The attempts of the States to assist primary production have been successful only in part, and there have been large losses of money.

"The interaction of these two protective policies is vital to the problems the Commission has to consider. Though the heavy losses which make up State disabilities at present are partly explicable on the ground of the unsoundness of the financial methods and control, and partly on the ground of the fall in prices, it is obvious that a tariff which extracts from export industry a substantial subsidy must add seriously to the burdens of States attempting to develop such industry. Moreover, as one developmental activity, that connected with land settlement, is in the hands of the States, and the other developmental instrument, the tariff, is controlled by the Commonwealth, there is a lack of consistency and co-ordination in the two policies. There is almost a competition between the two factors of development; each frustrates the effect of the other; the burdens created by the one make the protection required for the other the greater, so that

the clash we noticed earlier becomes more intense as each protective effort grows. There is an increasing amount of protection to primary industry in the Commonwealth tariff, but the broad distinction set out above still remains." (*Report*, p. 62.)

Recent decreases in the tariff, and the benefit of the exchange premium, have not compensated for the fall in export prices. While secondary industry has been able, on the whole, to hold its own and extend its operation, export industry has been hard hit by the depression.

The basic cause of State financial difficulties—particularly in the claimant States—is thus to be found in the indiscriminate use of two conflicting development policies, the settlement of land and the encouragement of manufactures, and these by different authorities.

"The result is, that the tariff was not carefully adjusted, and attempts were made to settle land that was hazardous to settle, even if the tariff costs had not contracted the margin. It is important to note that the mistake was not one-sided; it was mutual. State disabilities cannot be ascribed to a malevolent Commonwealth policy, nor can the adverse financial position of the claimant States be regarded as entirely their own fault. The clash was due to policies possibly good in themselves, but carried out without sufficient discrimination by the two branches of authority in Australia. Such a position cannot be cured entirely by payment from one Government to others. It must come from the habit of more precise calculation in the laying-down of policy, and a more complete co-operation between the various authorities in the Commonwealth." (*Report*, p. 64.)

(g) *General Summary of Grounds for Additional Grants.*

The Grants Commission arranged under four main heads the grounds on which the States had asked for additional grants:

- (a) That the Commonwealth, by restricting its standard of expenditure, would have a surplus which it could distribute among the States.
- (b) That Federal policies in relation to the tariff, the Navigation Act, and industrial arbitration, adversely affected the finances of certain States.
- (c) That the marginal States had a duty to develop their areas, and in the course of that development had incurred losses, for which it was right they should be compensated.
- (d) That it was to the interest of the Commonwealth to assist in the restoration of States which had drifted into an almost irretrievable financial position.

As to the complaint about the scale of Federal expenditure, the Commission comes to a guarded conclusion that, while there may be some ground for complaint, the amount of excess expenditure at present is not great. "The tendency to extravagance we have noted was in a great measure corrected by the need for economy after 1927, but there is now evidence of an increase in Commonwealth expenditure." (*Report*, p. 66.)

As to the tariff, the Commission concludes that "The net adverse effect of Federal trade policy on the finances of the States is considerable for South Australia, still greater for Western Australia, but doubt-

ful for Tasmania; but that we cannot arrive at even a rough direct measure of it. . . . There is little doubt that it is exaggerated by the claimant States." (*Report*, p. 70.) The Commission thought also that the disabilities resulting from the Navigation Act were exaggerated. Nor did it think that the injury done to the public finances of the claimant States by the Federal Arbitration system was now serious. But none of these matters could be accurately measured or estimated. Such effects as they had could only be taken account of by the examination of State budgets.

Losses incurred in development policy pursued by a State on its own responsibility are not considered by the Commission to justify a claim for specific reimbursement by taxpayers of other States. Such losses enter into the general budgetary position of the State, and so affect the grants recommended by the Commission upon examination of the general budgets. But the Commission examines the principal schemes undertaken by the claimant States, and finding some of them not to have been completely justified (such as South Australia's expenditure of £4 million for rehabilitation of the railways) thinks there should be a deduction from the grants it would otherwise have recommended.

The last main head, the danger of financial drift of a State, even if the fault is the State's own, is regarded somewhat more favourably by the Commission. It recognizes that there is great danger in making grants on this ground, but it does not reject them so long as they are used to assist recovery. A grant, however, is not to be made to a State merely because it is in a bad financial condition, without inquiry into the

causes, or assessing responsibility, for to do so would be to put a premium on improvident finance.

"It is probable", says the *Report* (p. 83) "that there is no State which could not maintain stable finance with the present distribution of Commonwealth revenue and expenditure, if it managed its affairs with prudence and restraint, and were not affected by influences of Commonwealth policy. If this be so, the ground for a grant should be the adverse influence of Commonwealth policy, and the simplest form of the issue would be the proof of a disability through Commonwealth policy, the assessment of the loss occasioned, and a recommendation for the sum so ascertained to be given. As we saw in the last chapter, however, this is not possible. Experts agree that the excess-cost of the tariff, which is the chief example of this type of disability, is not measurable at present. Such burden must be reflected, however, in the financial condition of the State."

(h) Comparison of Budgetary Positions of States.

The Commission therefore turns to a comparison of the budgetary position of the States as affording a method of measurement of disabilities due to all causes. If the results of this comparison are corrected by making allowances for the effects of unsound policy, for under- or over-taxation, and for other factors that affect the justice of the claim, a basis on which to assess grants can be attained.

The Commission accordingly compares the deficits per head of population of all the States, and ascertains the amounts necessary to reduce the deficits of the claimant States to the average deficits per head of New South Wales, Victoria, and Queensland (the non-

claimant States) to give what may be called a standard budget position. In making these calculations, the Commission considers various items that are omitted from budgets. In Western Australia losses of the Agricultural Bank resulting from failure of borrowers to pay interest on advances have not been charged to revenue, and have been met in effect out of loans purporting to be new capital of the bank. "This policy", remarks the Commission, "of paying interest out of loans without general recognition of the fact is very dangerous." Losses of the same kind occurred in connection with soldier settlement. The Commonwealth Treasury took the view that such losses are properly met by borrowing, so that only the interest would come out of the budget. The Commission does not object to this procedure in relation to exceptional losses due to the depression, which might be expected to disappear with a moderate rise in prices; but so far as such losses are likely to persist indefinitely, the Commission stigmatizes the procedure suggested by the Commonwealth Treasury as "vicious and dangerous".

Another omission from budgets is of the money necessary for maintenance of capital equipment. Here all the States are at fault, but the worst is Tasmania, where the maintenance of railways, bridges, and jetties seems to fall seriously below the level of other States; an additional allowance to Tasmania to lessen the discrepancy in this respect is therefore recommended.

The States are then compared in respect of economy of administration and social services and severity of taxation, and for each of the claimant States a consequential adjustment is made of the amount previously arrived at, as necessary to give it the standard budget position.

The adjusted amount still needs consideration, for if a grant thus founded on the actual budget position were made to a State, compensation would be included for such matters as the effect of its own mistakes, and the relative inferiority of natural resources. So far as a grant included a measurement of disabilities of this kind, it would exceed the compensating grant which would be required merely to set off the adverse effect of Federal policy on State finance.

In dealing with compensation due to the mistakes of a State, the Commission considers how far the mistakes are partly the responsibility of the other States or of Australia as a whole. "Mistakes of a serious order have been made by all States, which are obvious enough in retrospect. We can say for all of them that with more careful foresight and a less easy optimism they would have been avoided. If, however, a State appears to have markedly exceeded the general level of recklessness in capital expenditure, then we think it should be taken into account in assessing a grant. Such State might reasonably be penalized, and the penalty is best expressed as a percentage of its taxation. It might fairly be expected to submit to 5% or 10% heavier taxation than would otherwise be expected of it, or, conversely, to curtail its social services, or make other economies of the same amount." (*Report*, p. 124.)

The Commission considers that South Australia made serious mistakes, in excess of those of other States, in relation to irrigation and railway rehabilitation; on this account a deduction of £110,000 a year from the grant that would otherwise have been reasonable is recommended. For the bad planning and bad administration of group settlements in Western Australia £200,000 a year is deducted.

(i) *The Grants Recommended.*

Some final adjustments are made, on account of uncertainty of errors of estimation, and of the past history of the States—Tasmania, for instance, has been depressed since 1922, and for several years has had to put up with both heavy taxation and meagre social services. The final result of the Commission's consideration of the claims is shown in the following table:

(i) GRANTS RECOMMENDED FOR 1934-35

	South Australia.	Western Australia.	Tasmania.
	£	£	£
Grant necessary to give standard budget position	1,350,000	870,000	120,000
Add for items omitted from budget		+220,000	+50,000
Add for maintenance of capital equipment ..			+80,000
Adjustment for economy of administration and social services	-90,000	-130,000	+80,000
Adjustment for severity of taxation	+110,000	-400,000	-40,000
Add for moral responsi- bility of the Common- wealth		+200,000	
Deduct for State's own mistakes	-110,000	-200,000	
Add for errors of estima- tion and for special difficulties of South Australia and Tas- mania	+30,000	+40,000	+110,000
Grant recommended	£1,400,000	£600,000	£400,000

These grants are recommended as "the amounts necessary to make it possible for the claimant States to function with reasonable efficiency at about the standard of the other States". The Commission recommends that no conditions should be attached to the grants. "We attach great importance to the principle of responsibility in the States and we, therefore, do not in this report recommend any conditions. The recipient States will be able to formulate a policy for the expenditure of the grant, and this will be taken into account in next year's recommendations."

In concluding their report, the Commissioners write that "nothing has come under our notice to suggest that any part of the machinery set up by the Constitution is vitally defective. It is essential that the Constitution be regarded as a developing instrumentality, and that, while the central principles are maintained with firmness, a certain amount of elasticity is permitted in adjustments, particularly in financial adjustments. In reality, the efficient working of the Commonwealth depends upon the mutual co-operation and goodwill of those who occupy positions of responsibility in the various constituent members." (*Report*, p. 136.)

VI. THE FUTURE

The circumstances that have led to the particular difficulties of the last few years show no signs of disappearing. It is plain that we are far from recovering from the effects of the world crisis, and if those effects continue much longer a complete reconstruction of Australian affairs may have to be faced. That, however, is a question far too big to enter upon at the end of an already long paper.

Other external influences, too, may enter into the adjustment of relations between Commonwealth and States. Internationally, it looks as if one power may, soon come to dominate the north-western Pacific, and as if any questions that arise between us and her may have to be settled not only outside any general collective system but also outside any particular collective system of Pacific powers, and without any valid expectation that Australia would have strong support from any other quarter of the globe. If anything like this comes about, the importance of the Commonwealth Government will be immensely increased, and questions such as have here been discussed will sink into the background.

These matters, however, are still in the future. In the present we have estrangement between the smaller States and the Commonwealth, which in Western Australia has come to be a state of feeling that seems to cease to wish for continued union. What is to be done about this?

The first step is to see what alleviation is possible of the tangible causes of grievance. To debate them in the manner of the *Case for Union*, and dismiss them, will get nowhere. Judicial inquiry in the manner of the report of the Grants Commission is the better way. A more than generous treatment of the dissatisfied State seems the wise course. This may depart from strict principles, but it is worth while to do so when a member of the family thinks she has cause to cut adrift. Besides the treatment of grievances, some attention could be given to what lies behind some of them. Has there not been a too rapid expansion of Federal powers and Federal activity in administrative matters? Is the community at Canberra—Ministers,

members and civil servants—able enough and wise enough to administer all the affairs that now come within Federal control? Do we not run grave risks with a civil service of a calibre no higher than the Federal service? Until we can have conditions of service that will attract—as in other “democratic” countries, Great Britain, France, Holland—the most highly-trained ability and the wisest minds of the nation, would it not be better for the Commonwealth Government to practise greater restraint in enlarging its activities, as well as in using its present powers and applying its laws?

DISCUSSION

MR K. C. WILSON (Adelaide) agreed that the Australian Constitution had admirably withstood the strains placed upon it, with the exception of the commerce clauses, the arbitration clauses, and the clauses relating to financial powers. With regard to the last-mentioned, a point of break-down had almost been reached. South Australia had not balanced its budget since 1914, and had no hope of ever doing so apart from Commonwealth grants, or an alteration of the Constitution. The remedy was to extend to the poorer States the principle of transfer payments from rich to poor. Just as within a State, graduated taxation placed a certain check on the inequality between incomes, transferring money to the poor by means of social services, so the Federal Government should control its finances so as to effect a transfer of wealth from rich to poor States. The needs of the poorer States could be discovered by an examination of relative taxable capacities.

MR P. D. PHILLIPS (Melbourne) suggested that the underlying reason why the Constitution showed signs of strain was that the Founding Fathers had not realized the full implications of what we now call the Social Service State. During the latter portion of the nineteenth century, of course, States had been driven away from a purely negative conception of their functions, but that experience had hardly penetrated to the theory of Federalism, and the powers which such a theory was concerned to distribute were still regarded as powers laying down norms and prohibitions. State action, nowadays,

was much more positive in content, and our Federal Constitution stood in need of a complete overhaul from this point of view.

The analogy suggested by Mr Wilson between the redistribution of the national income by means of taxation and the redistribution by means of grants from the Commonwealth was very misleading. The decision was not first made that incomes should be redistributed, and taxation then devised to achieve this end. Rather, when it was found necessary to secure a certain revenue to conduct the business of the State, means were sought whereby this sum could be raised at minimum "cost", and taxation was therefore adjusted to capacity to pay. Mr Wilson's approach put the cart before the horse.

MR BLACKBURN (Canberra) referred to a recent statement that Western Australia had a very strong moral case for secession, in that she was not one of the original constituents of the Commonwealth, but came in afterwards owing to pressure brought to bear on her by the Colonial Office. This was undoubtedly true, but the argument that Western Australia was entitled to resist the Commonwealth on the ground that it had developed along lines not contemplated by any one, did not lie in the mouths of Western Australian secessionists. They could conceivably argue that they were a different people from what they were ten, or twenty, or thirty years ago, but they could not object to the extension of Commonwealth powers on the ground that they were a continuously-existing society, entitled to rely on pre-Federation facts. For, in 1911, 1913, and again in 1919, the State of Western Australia had voted for extensions of Commonwealth power which were quite as wide, if not wider, than the extensions which had resulted from High Court decisions. Had not the referendum on secession coincided with a State election, secession would probably have been rejected, or carried by a very small majority. The Labour Party in Western Australia had been so anxious about the result of the election, that it had not dared to take up a stand on the question. Had it done so, it would undoubtedly have opposed secession, and the voting would have been substantially different.

SIR HARRISON MOORE (Melbourne): "One of the very delightful features of discussions such as these, is that one finds oneself in agreement with the very last person with whom one expects, at the outset, to be in agreement. Now the person with whom I find myself most in agreement is my friend, Mr Maurice Blackburn. He pointed out that the Constitution, as it is written, is one thing, and the Constitution, as it works, is another. There is still another thing, and that is that the

life of a people under a Constitution, or under a form of Government, may be something different from either. If you take this Constitution of ours, you will find that it has both gained and suffered from the character of the Assembly that framed it. It was, to an extraordinary extent, a legal document. The men who played the leading part in the Constitutional Convention were lawyers of eminence, and they had made a very careful study of Federal Constitutions. But, looking back, I think it might have been very much better if the framers of our Constitution had known and thought less about Federal Constitutions as they existed in the United States and Canada, and if they had brought themselves to a more exacting study of Australian conditions. If they had done that, they would probably have aimed at a great deal less than they did, Federal powers would have been fewer, and there would have been greater scope left for learning by experience, without being committed in a particular direction.

"Concerning the analogy between the wealthy State and the wealthy individual, and the poor State and the poor individual, I feel very sceptical. After all, rich States and poor States alike consist of rich persons and poor persons, and taxation is paid, not by some abstract entity, which you call the State, which pays out of abstract resources with abstract money, but it is paid by the individuals of each and every State."

MR F. EGGLESTON (Melbourne) considered that the strains to which the Commonwealth Constitution was subject were due to something entirely outside the working of that Constitution. Ideal political units, he said, were much smaller than the units which develop through the integration of economic forces. Politics could only remain alive in small areas; the larger the unit the more difficult it was both to effect changes, and to control social and economic conditions. Economically, Western Australia was part of a continental unit; but politically her association with the Commonwealth had resulted in discord.

MISS D. DAVIES (Melbourne) felt that some, at least, of the difficulties of the Constitution were due to the nature of Federation itself. Federation was essentially a compromise between the benefits of a unitary State and the benefits of local sovereignty. Ultimately these different benefits were incompatible. In endeavouring to meet the claims of the smaller States, it should be remembered that Federation was, in part at least, an educative process. If State demands became excessive, however, there was nothing for it but a

dissolution of the Federation, and a return to what was, after all, a less civilized state of affairs.

Mr E. R. DAWES (Adelaide) feared that an undue concentration on "grants", in relief of "disabilities", would suggest that the only thing which held the Commonwealth together was a cash nexus. It was significant that the Constitution always came under survey when the States were in difficulties. After all, it was convenient to have a scapegoat to blame for "bad times", especially as the Constitution itself did not have a vote. An enormous volume of criticism was directed against the tariff; yet, if tariffs were entirely removed, the problem of the primary producer would remain unsolved, if the price of wheat remained at a level below the cost of production. Where difficulties were genuinely due to the Constitution, then revision should be promptly effected, for it would be foolish to allow the original provisions of this Constitution to become sacrosanct.

PROFESSOR F. A. BLAND (Sydney): "It has always been a source of wonderment to me that the strains produced by the conflict between the claims of the States and those of the Federal authorities have not been avoided in a very simple administrative way. That could have been done if the States had been permitted, after Federation, to develop their already-existing agencies, such as defence, customs, post-office organizations, and the like. Instead of doing this, the Federal Government immediately set up a whole series of agencies for itself, in the administration of which there have been aggravated those very conflicts which Federation was designed to cure. These conflicts, I suggest, could have been avoided, if the various States had been allowed to work out their own destiny, and the Federal Parliament had merely assumed an oversight, and had become the thinking body for the national affairs of the whole community."

Dr F. R. E. MAULDON (Melbourne) developed the suggestion made by Mr Eggleston, that there was a conflict between the necessities of economic development, and the necessities of satisfactory administration in a modern polity. In his view the control of economic policy should pass more and more into the hands of Federal authorities, and the Constitution be revised accordingly. State powers would thus be reduced. They would retain large powers in such fields as education and municipal services; but where it was such a matter as the development of primary industries, that power should be in the hands of one authority, able to develop a consistent policy, and give continuous supervision to its development. "If we are going to modify our Constitution, let it be with a

very clear recognition of the different necessities involved in economic development on the one hand, and of political development on the other. Let us move in the direction of self-expression, politically, in smaller units, but leave the direction of economic development to the larger political machinery of the Commonwealth. This will secure an adequate and coherent policy for the whole continent, and yet leave us with the feeling of governing ourselves in local units."

DECLINING FAITH IN REPRESENTATIVE GOVERNMENT, AND THE RISE OF OPPOSED FORMS OF GOVERNMENT

By A. H. CHARTERIS

Je crains bien que le régime parlementaire ne soit décidément viable que dans les périodes de prospérité et de facilité.

—M. Pierre Laval quoted in André Tardieu:
L'Heure de Crise (1934), p. 163.

LECTURING before an English audience last year, the greatest French authority on English political theory¹ observed that an inner contradiction runs through the whole doctrine of modern Socialism, "the belief, that is to say, in the two extremely different, perhaps contradictory, things: liberty and organization, between which Socialists fall to the ground".

Professor Halévy continued: "The ideal of English liberty in the eighteenth century was the idea of a Parliament strictly controlling the aristocracy and the monarchy; the paradoxical idea that the basis of society was not to obey those who govern but to disobey them, control them, make things difficult for them. Then came the political economists, Adam Smith, Ricardo, and their propagandists, Cobden and Bright, who added something to the definition of English Liberalism in making the State practically evanescent—

¹ Professor Elie Halévy, "Socialism and the Problem of Democratic Parliamentarianism," in *International Affairs*, vol. xiii, pp. 499-99 (1934).

through the bold idea of reducing the functions of the State to as little as possible, aiming at what Huxley called 'administrative nihilism'—giving the State nothing to do but to abdicate, and simply allowing individuals freely to interchange the products of their respective labour. I think you will agree that it was in the forties and fifties of the nineteenth century that this new idea of English Liberalism reached its acme, and England was admired all through Europe as the centre of Western civilization. Even our French tyrant Napoleon III fell a victim to the propaganda of the English Free-traders. Then began the rise of Bismarck,² and little by little, as the Reich impressed the world with its organization, Bismarckian methods gained the better of the English ideal of liberty, and the Hegelian idea of the State gained the better of the idea of the evanescent State. The problem which the Socialists find so difficult to solve is how to reconcile both these ideas. . . ."

II

In the light of this instructive generalization, we may proceed to consider the basis and essential factors of representative government as practised in British and—with some modifications—in Anglo-Saxon communities.

Although older by many centuries than the Utilitarian doctrine of the nature and function of the State, British representative institutions would seem, when extended to include representation of the people at large, to be best adapted to the needs of a com-

² National Health Insurance is of German origin, having been introduced by Bismarck in order to steal the thunder of the German Social Democrats, and prevent them from misusing the manhood suffrage which he had been compelled to concede as the price for their acceptance of the German Empire.

munity which accepts both individualism and its concomitant doctrine of the function of the State known as *laissez-faire*. For in an economic organization which enjoins individual pursuit of self-interest as conducing, on the whole, to general welfare, representative, as contrasted with direct, democracy does serve to reconcile the freedom of the individual with the authority of the State. If personal liberty is the ultimate good, this form of government imports the self-government of free men by means of discussion, with acceptance of resultant decisions by all parties, inasmuch as all parties—even avowed opponents—have shared in the decisions through their representatives. Since the individual was deemed to know his own interest better than the State could know it, and as the pursuit of self-interest did, on the whole, make for general welfare, the function of the State was necessarily reduced to safeguarding law and order.

Now Bentham and the Utilitarians believed in two great principles. They believed that what society ought to aim at was the greatest happiness of the greatest number of people, and that since the individual knows his own interest best, society is most likely to prosper if each individual is left to work out his own salvation for himself. As they also believed that the pursuit of individual self-interest would make for the happiness of all they conceived that economic prosperity depended upon free competition, and that the State ought to confine itself to "holding the ring", and keep its hands off everything else. That was what was meant by *laissez-faire*. But before the ring could be held, it must be cleared. And Bentham demanded active intervention by the State in order to remove hindrances to free activity; for example, the "sinister

interests" of privileged people, such as lawyers and landowners, or the fetters on Labour's power to move from district to district, in search of work, or to combine for improvements of working conditions. Of all laws and political institutions, the State should ask the simple question: "What is the use of you? Do you work?" That is why the second principle of the reformers is called Utility, and why they came to be called Utilitarians. The ring once cleared, and the State's function confined to keeping it, Bentham taught that the requisite restraints for orderly living would emerge from self-imposed obligations accepted by individuals in their enlightened self-interest. That is why he demanded of the State the enforcement of all contractual relations without exception. This view, of course, assumed, what was untrue in fact, that the contracting parties were always on a footing of equality, free to contract or not to contract, and, furthermore, what was not untrue in fact, that acceptance of the existing basis of society was universal.

The State, then, was, in effect, a by-product of individual self-assertion, and as personal freedom was the ultimate good, the onus against State interference with personal liberty was not displaced unless the evil of interference was clearly less than the evil in question. Moreover, as State intervention must needs take the form of altering the relevant law, it was entirely proper that legislative methods should be deliberate, with full opportunity for articulate opposition.³

³ Of the state of Parliament in the years following the Reform Act of 1832, Mr G. M. Young observes: "The procedural history of Parliament is a struggle between an old principle (freedom of debate) and a new one (to make a programme and get it through). In the thirties freedom exercised through (a) a multitude of formal stages, (b) irrelevant amendment on going into

Following Professor Ernest Barker, of Cambridge,⁴ it may be said that the essential factors in representative government are four:

- (a) A political electorate voting in political constituencies;
- (b) a party system involving at least two parties, and possibly more, which present policies and candidates to the electorate;
- (c) a Parliament representing political constituencies and organized in parties, and
- (d) a Cabinet representing the majority party or combination of parties in that Parliament, but confronted and criticized by an opposition representing the minority party or minority combination. This combination of factors operates differently in different States, according as one or other of the factors predominates in the combination.

• Under this system Parliamentary procedure, as indicated above, is deliberate and dilatory. A bill is read three times in each House, and the third time only after its provisions have been minutely canvassed in Committee. The final requirement of the Royal Assent, although now a pure formality, belongs to the same order of ideas. In the domain of legislation affecting the self-governing Dominions it survives within narrow limits, with dilatory effects, although in practice little more than a form. Under this system, too, an

Committee or adjournment, was in the ascendant. The public, intensely interested in Parliament, was, in consequence, often baffled to know what Parliament was doing or why." G. M. Young: "Portrait of an Age", in *Early Victorian England* (1934), Oxford, vol. ii, p. 437 n.

⁴E. Barker: "Democracy Since the War, and its Prospects", in *International Affairs*, vol. xiii, pp. 751-55 (1934).

Executive emerges which can afford to be weak, since its administrative functions are small. To quote Mr G. M. Young again: "

"In 1830, except for the collection and management of the revenue for defence and the transmission of letters, there was hardly anything which a Frenchman or a Prussian would have recognized as an administration. The national expenditure was £50 millions, of which the debt absorbed £29 millions, defence £15 millions, leaving £6 millions only for collection, for the Crown and the whole civil administration. The total and proportions did not greatly vary till the Crimean War. But by 1860 the cost of defence was £26 millions, the balance for civil purposes £15 millions. These figures, which illustrate the armed administrative state, show also with what slight equipment early Victorian Government operated."⁵

The weakness of the Executive, indeed, is sometimes acclaimed as a merit. Jules Ferry, for example, declared in the eighties that France desired her Executive to be weak—no doubt as an additional guarantee of personal liberty.

The conditions under which representative government of this kind functions best seem to be:

- (a) A minimum of political parties, with one in office and one in opposition, but prepared to take office on obtaining the requisite majority. The emergence of even a third party tends to cause friction (as when the Irish Nationalists, during the Home Rule controversy in the eighties and nineties of last century, resorted to obstruction in the House of Commons) or it conduces

⁵ G. M. Young: *Op. cit.*, p. 466.

to coalition, which is the weakest form of Parliamentary government.⁶

- (b) Acceptance by all parties of the existing organization of society both in basis and general form, differences between them being confined to political objective and methods of effecting improvements. This condition has been likened to a boat race, in which the rival craft are at one in direction, if not in speed, neither seeking to turn up-stream by an eddy.

⁶ Multiplicity of parties is, of course, no novelty in the British self-governing Dominions. Ever since the emergence of the Labour Party in 1910, Australia has been accustomed to the existence of 3. Indeed, at the present moment, the House of Representatives of 75 members shows 5, although condensed for practical purposes into 2. In the Dominion Lower House in Canada the two major parties hold 224 seats, while 21 are divided among no less than 6 "fractions". But proliferation of parties, with consequent coalition Governments, is a function of proportional representation—as theorists forecast, this prediction being borne out by the experience of the weak Baltic States created after the war. Thus *Estonia*, with 6 parties in its Lower House of 100 members, has a non-partisan Cabinet, which has been in power since October 21, 1934, the number of seats in the House having been reduced from 100 to 50. *Latvia*, with 14 parties in a House of also 100 members, has had a coalition Cabinet in power since March, 1933. *Lithuania*, debilitated, no doubt, by her chronic state of war with her neighbour Poland over Vilna, has, in a House of 85, no less than 14 parties; and a National Union Cabinet has been in power since the defeat of the Dictator Valdemaras in 1929.

Under the older Constitutions in the Scandinavian countries proliferation of parties, which gives *Sweden* 6 in a House of 230 members, and *Denmark* 7 in one of 149, has not prevented the Social Democratic Party from holding power in both countries by virtue of a clear majority over all others. *Norway* in the directly-elected Storting of 150 members, knows 4 major parties and 4 "fractions", each with a single representative. Labour with 69 seats could be opposed by a "bloc" commanding 77 votes; but attained office in 1935. *Czechoslovakia*, however, which is the Central European stronghold of post-war democracy, exhibits both multiplicity of parties and coalition Government. In a House of 300 members the parties number 14, of which 8 of the more important are represented in the Coalition Government in power. *Belgium*, with 5 parties in a House of 157, endures at the moment a Parliamentary deadlock. Even *Switzerland*, with its ancient tradition of democracy, shows 7 parties in a House of 157, and minor groups as well. In *France* where, thanks to the deputy's unchallenged mandate for a four years' term, parties tend to reproduce themselves by fissure, the Chamber of 600 members shows the record number of 25 parties, distinguished more by personal affiliation to leaders than by distinction of principle.

- (c) A stable, or preferably a "rising" market in the country concerned, so that economic problems prove capable of solution by private initiative and effort.⁷ Up to the outbreak of the World War, British, American, and French experience satisfied this condition. The main matters of political debate in Great Britain were primarily political; for example, the extension of the franchise, free education, the legal right of labour to combine, the claim of Ireland to self-government.

III

In time of national crisis representative government in this, its normal form, stands in need of modification in the direction of strengthening the powers of the Executive, and such modification it has not failed to receive from Parliament itself. In Great Britain, during the war 1914-18, the modification was effected by the brief Defence of the Realm Act, which empowered the King in Council to legislate in the national emergency by Order in Council; in Australia by the War Precautions Act, which enabled the Prime Minister, Mr W. M. Hughes, to govern Australia, as he once remarked, "with a fountain-pen". In the United States the Constitution itself conferred upon the President war powers more extensive than those of the greatest of European autocrats. Times of crisis falling short of

⁷ "The most favourable conditions for popular government exist in periods of tranquillity, when the economic machine is working smoothly and profitably, and when political issues are few, simple, and mainly domestic, and gradual in development. It is, moreover, a system which functions best in nations where it has grown slowly and naturally, affording to their populations adequate opportunity for political education. All these conditions were conspicuously absent from the post-war world. . . ." G. M. Gathorne-Hardy: *A Short History of International Affairs, 1920 to 1934*, p. 142.

war may produce crisis Governments, which are, nevertheless, compatible with retention of the main characteristics of representative government. Witness the Coalition Government formed in Great Britain in 1916 under Mr Lloyd George, for the better conduct of the war, and continued after the peace until 1921 without any further modification of the normal system than was inherent in the Defence of the Realm Act. Witness, too, the extraordinary emergency powers conferred in the United States on President Roosevelt in 1933, which have not deprived representative assemblies of their authority, or interfered with the freedom of the Press, or abolished Labour organizations. Still further illustration may be found in the power to legislate by decree conferred by the French Chamber on M. Poincaré in the financial crisis of 1926.

IV

INFLUENCES WEAKENING FAITH IN REPRESENTATIVE GOVERNMENT

As the premier instrument for the self-government of free men, representative institutions on the British model were recommended in England in the early nineteenth century, as sufficient to ensure the happiness of any nation. This, says Dicey, was in the main the creed of at least two generations.⁵ It was believed that English methods of constitutional government by free debate would yield in any community of free men, English solutions of political and economic troubles, and thus conduce to the general peace. The influences which have weakened this earlier faith appear to be the following:

⁵ *Law and Opinion in England*, 1st Ed., 1905, Lect. XII.

- 1.—As Dicey went on to remark⁹ the democratic institutions, which under Utilitarian influence were bound up in England with humanitarian reform and cosmopolitan sympathy, did not preserve these English characteristics when transplanted to foreign countries. On the contrary, they proved themselves entirely compatible with an intense and even bellicose nationalism, with its characteristic hostility to international outlook. "Nationalism had created an atmosphere in which Utilitarian ideas cannot easily flourish." (Ibid.) The solution of foreign political problems did not fall out according to English expectation. And this constituted one of the major causes for declining faith in representative institutions as a panacea for political ills.
- 2.—Minor causes operating in England in the same direction included the natural impatience of those who demanded immediate social reform with the inertia and power of vested interests in a Parliament using methods of legislation peculiarly favourable to the maintenance of the *status quo*. It was to overcome this inertia that organized Labour in British countries sought direct representation in Parliament itself.
- 3.—In the collectivist era in England, which set in in 1865, although no direct challenge of importance was delivered to the basis of the existing economic system, the sphere of personal liberty was increasingly diminished by State action in such matters as compulsory education, public health, restriction of hours of labour, and by compulsory national health insurance introduced on the eve of the

⁹ *Law and Opinion in England* (1920 Ed.), p 462.

World War. The growing pressure of public business compelled the Cabinet to claim priority for Government business, and, in the face of obstruction, to control and limit freedom of debate. The restrictions thus imposed on the initiative of "private members"¹⁰ (including minor opposition groups) stimulated in certain Labour circles a preference for direct action as a better instrument for improvement of labour conditions than Parliamentary effort.

- 4.—With the spread of Socialism, as a specific form of collectivism, the basis of the existing economic regime, which had hitherto been accepted by all parties in the State, received a direct challenge, since economic inequalities which others deemed to be inseparable from the economic system and susceptible of gradual elimination, were diagnosed by the Socialists as evidence of a class-war, signifying inherent vice in the capitalistic regime, and not susceptible of removal except by supersession of that regime by one more equitable. Representation of this doctrine in Parliament did not make for smooth working of the Parliamentary machine.
- 5.—The growing discrepancy between economic power which lies with the nation in its possessive capacity, and actual exercise of the political power, which, on extension of the franchise and spread of education, lies, at least potentially, with the mass of voters if appropriately organized, tended

¹⁰ As typical of the private member in the early Victorian era, Mr G. M. Young cites the career of Ewart, son of Mr Gladstone's godfather. "He carried three important bills (Capital Punishment, Defence of Felons, Public Libraries), besides being very active in free-trade, schools of design and competitive examinations. But he was never in office." "Portrait of an Age", op. cit., p. 439, n.

to excite in many spokesmen of the "masses" envy of those in political control, and anger against the organs of the existing régime. Nevertheless, the English Labour Party, while despairing, in face of the obstacle presented by the House of Lords, of achieving socialization of the means of production by specific Acts of Parliament, remains faithful to constitutional methods of thorough-going reform, and proposes, if returned to power by an absolute majority, to surmount the obstacle of dilatory procedure by passing an Enabling Act which shall give its legal authority for effecting the requisite changes of régime¹¹ by Order in Council, on the model of the regulations issued under the Defence of the Realm Act in England during the War.

That Parliaments are not what they were, is a complaint not confined to British soil. If Mr Gladstone has had no successors, neither, for that matter, has Bismarck. In our own country it is "the fathers of the Constitution" who have left no descendants. But, while it may be true that the members of the first Federal Parliament of 1901 were of exceptionally high calibre, it must not be forgotten, in the first place, that they were recruited from among the outstanding members of the State Legislatures, over which its superior prestige has prevailed ever since; and, in the second place, that with her six existing Parliaments and small population, Australia was confronted with no light task from 1901 onwards in furnishing personnel for

¹¹ The Labour Party's programme comprises a plan of placing the banking and credit system, the heavy industries, transport, coal, iron and steel, as well as agriculture and electricity and water supply under national control and, as far as possible, under national ownership.

another. At the present day the Australian Parliaments, by reason of the emergence^o of the Labour Party in 1910, are more truly representative of the people at large than in the year of Federation, and in respect of personnel there is small ground for saying that they have suffered to any notable degree from deterioration. But undoubtedly the quality of political debate has declined since that date, if personnel has not, and this, it is conceived, is due to a significant change in our mental atmosphere. Before Federation the issue, for example, of Free Trade versus Protection, was one in which the people of Australia, and notably in New South Wales and Victoria, took the intensest interest. It was a theme debated with an ardour and a disinterestedness, and on a plane of detachment, seldom reached in modern controversies, and because they had open and eager minds accessible to argument, it was followed by the people at large with intensest interest. Nowadays the mind of the people seems to be closed. How common is the practice of blocking argument with a nickname or a catchword! Why should X reply to Y when he can be dismissed as "an extremist", a "pacifist" or "Douglas Crediter"? And why on earth should Y reply to X when he is a "master's man", a "capitalist pimp", and so on, in an ascending order of designation? The respective arguments are left to join Charles Lamb's frozen words.

For this deterioration of debate, which is by no means confined to our Parliaments, much of the blame lies at the door of Labour, some of whose leaders show "a sair declension frae the auld".

On its first appearance in Parliament the Australian Labour Party made no secret of its policy. "Support for Concession" was enforced by "solidarity", or

party discipline, on votes of confidence. But its leaders of those days did believe in the existence of a science of economics—a science which was quite distinct from the dogmas both of *laissez-faire* and Marxian schools of thought—believed, too, that they had mastered it. They respected the Constitution of the Commonwealth and States, accepting them as part of the data of their problem, as marking the limits within which Parliamentary action in the interest of Labour was possible. Moreover, they conceived it to be their duty to give an intellectual lead to their followers.¹² But nowadays your Left Wing Labour leader may say with the poet:

A 'thir things are an emp'y sang,
To a gentleman like me!

“Economics? Pooh! A *bourgeois* fabrication. A plastic science. The Constitution is what you make it. And as for leading, the place of the leader is behind. Was not “Well, boys, what do you want?” the lead which Mr Lang gave his followers at the annual conference of the Australian Labour Party?¹³ Parliament is neither more nor less an instrument for getting things done in the Labour interest; in the political sphere a substitute for “direct action” in the industrial, but with no difference of object.

In these circumstances there is the less reason for surprise, although all the more for regret, that political debate in Australia has fallen from its former high level. The change is but a symptom of the super-

¹² Not that they were under illusions as to the effect of their lead. I have it on the authority of one of the most famous of these leaders (now dead) that with their followers in the early days, this simple faith was more than Norman blood: “What *they* have, they pinched. What *we* take back isn't stealing. And at all material times the Boss is a bl— b—d!”

¹³ This may have been designed as a gesture for public approval. Certain it is that the Lang Plan was not the result of a vote taken at that conference.

charged atmosphere in which we moderns live. In the tranquil and not unprosperous end of the century, the Australian was not ashamed of being moved by argument, because, as I have said, his mind was open. To-day in a changing world it is his appetite which is open. His mind is closed. "Turmoil in a monkey-house" is therefore no bad description of debate in at least one of our Legislative Assemblies—a view which our Press magnates appear to share, for the Parliamentary reports which they vouchsafe to us are meagre and intermittent, except when the atmosphere in the House has been "tense".

Yet it cannot be that the subjects under discussion are inherently less important or interesting than in the Victorian era. Rather it would seem to be that even for political debate, the main arena is no longer Parliament. Other agencies of discussion have emerged to compete for the attention of the public—notably the daily Press itself, broadcasting and, perhaps not least, the opportunities for *viva voce* discussion afforded by the Adult Education Movement in supplement to formal discourse on economics and politics. In some circles a further ground for depreciating representative institutions is found in the incalculable vagaries of the "unattached vote," which, under the excitement of an election, is capable of moving violently about its own axis, swinging now in favour of one party, and at the next poll as solidly in favour of its opponent. The most notable recent example of "land-slide by hysteria" was furnished by the Gold Standard Election in England in October, 1931. The revulsion of feeling against the National Government, which was then returned to power, showed itself four years later in the overwhelming victory of Labour at the

English municipal elections, which were fought on party lines both in London and the provinces. For anchoring this "floating kidney of the body politic" Mr Winston Churchill has advocated a weighting of the vote for householders, who are presumably of more settled political complexion than the voter at large.

Since the onset of the economic depression in 1929, with its baffling problem of unemployment, the public has become increasingly conscious of the narrow limits within which Parliamentary action is effective in the economic sphere. For the popular disillusionment resulting therefrom, the politician is himself much to blame. He was prone to pose in times of prosperity—particularly in Australia—as "the onlie begetter" of the general well-being, but in times of strain he failed to provide the relief from its distresses, for which the innocent public not unnaturally turned to him, and further discredit fell upon the Parliamentary system.

Declining faith in the effectiveness of Parliamentary government is doubtless the reason for the post-war practice, observable both in Great Britain and Australia, of placing public utilities under statutory boards which are independent of Ministerial control.

This is illustrated in Great Britain by—(a) the Central Electricity Board; (b) the Port of London Authority; (c) the Broadcasting Commission; (d) the London Transport Trust.

The Unemployed Assistance Board established by the National Government, in 1934, is understood to have had the object of removing the amount of "the dole" from the arena of competitive promises at election times.

In Australasia the development is illustrated by the creation, both in Victoria and New South Wales, of a

Transport Board in addition to the existing Railway Commission, each independent of the other and both removed from Ministerial control and responsibility; and in the Federal sphere, the Australian Broadcasting Commission and the Council for Research in Science and Industry are further illustrations. There are similar creations in New Zealand. This development is no doubt due to general belief that such utilities are better managed when free from Parliamentary interference. While witnessing, therefore, to belief in the superiority of expert management, it is evidence also of lack of public confidence in Parliamentary government, which is admittedly at its weakest on the administrative side.

But these statutory commissions, as at present established, lack any co-ordinating authority save Parliament itself, which cannot function except when the relevant creating statute comes up for periodical revision or renewal. The absence of such authority to mediate, for example, in matters of transport between the claims of transport by rail, road, and sea, may, in a country like New Zealand, which relies so greatly for inter-communication upon all three, prove in practice to be a considerable mischief. It is worth consideration whether ready acceptance of statutory commissions for particular purposes would be strong enough to prevail against inherited reliance on Parliament as the general controller of public administration, were the elector invited to declare himself for or against the inauguration of a system so reformed as to ensure more effective co-ordination of all State activities than is possible under our present system.

In connection with administrative competence it should be realized that the experience which the private

member gains in the legislature forms no sort of training for the administrative functions which will devolve upon a Minister of the Crown. And as it is only at an advanced age—if at all—that a member reaches Cabinet rank, he is often too old on appointment even to be willing to depart from established office routine.

This is a grave defect in our present training for high office, although whether it amounts to a cause of disbelief in Parliamentary government is open to question. The elector, it is conceived, has an extremely imperfect picture of what the term Government means. He tends to think in compartments. While instinctively hostile to a system which he associates with Dictatorship, with its denial of the right to criticize, and its demand for acceptance of its own permanence, he nevertheless approves of the Statutory Commission, although it not only imports admission of the defects of Parliamentary government, but calls in logic for a general and independent co-ordinating (or planning) authority, the existence of which must necessarily weaken the authority of Parliament itself.

Notwithstanding these defects, there is no evidence of Australian disbelief in Parliamentary government as an institution, although dissatisfaction with politicians and, in some quarters, hostility to Federation is not unknown. ~ Little has been heard since the onset of the depression, even among the younger generation, which had increasingly favoured it on national grounds, of advocacy of unification, by which is meant the establishment of a single national Parliament for the entire continent, and the supersession of State Parliaments by municipal authorities with enlarged powers—a development also favoured by the Labour Party in

the interest of uniform wage-rates and labour conditions. In the last six years, the Federal Constitution having come under serious strain, the visible movement is in the opposite direction, notably in Western Australia, which demands, as the only cure for its economic ills, a surgical operation—its own excision from the body Federal. But Western Australia's demand hits only at Federation. For his own colony, when prospectively restored to independence, your Western Australian demands Parliamentary government, and it is from the representative institution called the Imperial Parliament that he meanwhile seeks his relief from the straitjacket of our Federal union.

The over-government of Australia, with its seven sets of governmental and expensive organs, is no longer stressed as formerly, although the division of powers under the Federal system continues to be something of a mystery to the average elector, who, with a British tradition in his blood, is slow to understand why the statutes of a national Parliament should be liable to challenge for constitutional validity in a court of law. And it must be admitted that the crop of litigation which the Parliament has sown tends to undermine admiration for Federation as a political contrivance, while Federal encroachment on the field of taxation tends to alienate those responsible for the finances of the State.

On the other hand, the social services, which are the fruit of representative institutions, while they continue to grow in complexity and, to the grief of the taxpayer, in cost, undoubtedly serve to reconcile the beneficiaries even to the anomalies of the form of government from which they spring. Indeed, for all classes of

Australian, the State, with its representative system so sensitive to imperious popular demand, has become "the shadow of a great rock in a weary land" called Depression. And at the present moment there is not a single branch of economic activity, except perhaps wool-growing, which is not receiving assistance from the State, either indirectly through the tariff, or directly by subsidy, or by legislative grant of protective organization. The Australian working-man, for his part, continues to regard the State as the author and guarantor of his labour conditions, as well as the most satisfactory of employers. Not for nothing did M. André Siegfried some twenty years ago describe our country as exhibiting "Socialism without its doctrines". His judgment holds.

For suppression of the present system no demand has been made except by the Communists, who have fallen silent in Australia since Soviet Russia abandoned the policy of world revolution, and, for strategic reasons, joined the League of Nations. Under the first onset of the depression—which coincided with the Labour Government of Mr Lang—expression of this demand was so open in New South Wales that the New Guard—a sort of reserve defence of the existing regime—arose almost of itself among the middle-classes, who, except when the very basis of the regime is threatened, have never in the past failed to accept any class-legislation, however irksome and disliked. But it is significant of the optimism of the "easy-oasey Ossie" that on a mere change of Government—from Labour to Nationalist—the New Guard, as spontaneously indeed as it had come into being, withdrew from

the footlights to the wings, without, however, leaving the theatre.¹⁴

Dictatorship.

The rise of dictators in the post-war period has revived the use of an old word and given it a sinister connotation. Yet in Rome where it originated, it signified what we might call a Committee of Safety of One, rather than the usurpation of power by an irresponsible person. As an institution of Roman law, dictatorship endured for three centuries—that is from the sixth to the third century B.C., but only at irregular intervals was a dictator appointed, and then only to deal with an emergency in domestic or, more often, in foreign affairs. Public law provided a regular form for appointment, and a limited term of office. The Dictator was nominated, not elected, and only a Consul could appoint him, using certain peculiar religious rites. He held office for six months only, and nominated his subordinate officer, the “Master of the Horse”. The Dictator himself was *magister populi*, a title strictly meaning “master of the foot soldiers”, but if we render it as a “leader of the people” it corresponds to what the Germans call *Führer*. Until 300 B.C. the Dictator was not restricted by the right of appeal, and, as he was legally vested with *imperium* on his appointment by a regular law duly passed by one of the *comitia* or assemblies of the people, he had a legal standing, and men of all degrees owed him implicit obedience. Dictatorship was resorted to for

¹⁴ But its founder and leader, Colonel Eric Campbell, feeling that, under the new dispensation, he could safely leave the State on a trip to Europe, did so without ado.

“Fear no more the heat o’ the sun,
Nor Comintern’s furious rages;
Thou thy worldly task hast done,
Home art gone,”

two purposes, which the Romans described as (a) *rei gerundae causa*, that is to say, as an expeditious organ for doing a difficult job, normally in foreign relations; and (b) *seditionis causa*: as a sedative for sedition when civil bréils were on foot.¹⁵

This was the old constitutional dictatorship, which practically came to an end with the Hannibalic War. The subsequent dictatorships of Sulla and Julius Caesar were in a wholly different category. Sulla was commissioned to reconstitute the Commonwealth. His power was absolute and his tenure unlimited. And it is from his unbridled use of absolute power—five thousand persons were massacred in cold blood—that the modern sinister meaning of the term is derived. Julius Caesar, again, was of a different cast from Sulla. He has been described as “the greatest, the most tolerant, the most merciful of the Dictators who have ever lived.” He was proclaimed Dictator in absence in 49 B.C., nominated to that office not by a Consul or by the Senate, but by the Roman populace; but he never forgot, nor did his soldiers either, that he ruled by the army and not by the populace. Yet after a dictatorship of only eleven days he laid down the office and exchanged it for that of Consul. He was re-nominated Dictator more than once; eventually for life; but, though the basis of his power was military and its scope unlimited, he used it with exemplary moderation and clemency.

Modern Dictatorships.

The dictatorships in operation in our own day have been described as Dictatorships of the Right and Dictatorships of the Left, of which the single example

¹⁵ Cf. *A Companion to Latin Studies*, ed. J. E. Sandys, Cambridge University Press, 1910, p. 255.

is the Dictatorship of the Proletariat in Soviet Russia. To the former class belong the present dictatorships in Italy, Germany, Austria, and, perhaps, also, in Portugal.¹⁶ General Primo de Rivero's dictatorship in Spain, which endured from 1923 until the Republican Revolution in 1931, belonged to this class, as also that of Professor Augustinas Valdemaras in Lithuania, which lasted from December, 1926, until September, 1929. But among the Dictatorships of the Right it is only Fascism in Italy, and National Socialism in Germany, which possess a theory of the State. Primo de Rivero in Spain, Mustapha Kemal in Turkey, and the "Veiled Dictator", President Pilsudski, in Poland, are dictators equally with Mussolini, but they have no theory of the State.

Nor are these modern dictatorships to be confused with the Caesarism which ruled in France in the nineteenth century under Napoleon III, for Napoleonic Caesarism accepted, and indeed was based on, democracy. Fascism and National Socialism, on the contrary, each repudiate democracy, although Herr Hitler does indeed claim, for what Mr Winston Churchill has described as his "timid tyranny tempered by stage-managed plebiscites", that it is by nature more truly democratic than representative Liberalism. As for Napoleon III, it is sufficient to say that every modification in the French Constitution which he made after his election as President in 1848, was submitted to the people for ratification by plebiscite, under direct, universal, and individual suffrage. Never, in the whole twelve years of the new regime, has Fascist Italy

¹⁶ Where the military-civilian directorate established in 1926 is on the point of being replaced by Government under a Reformed Constitution launched by the President, General Carmona, and the (Christian Professorial) Premier, Dr Antonio de Oliveira Salazar.

called upon the Italian people to declare by Yes or No vote whether they accept the regime or not. From Mussolini's model the National Socialist Government in Germany has so far departed, as to hold two general referenda, to which the Saar Plebiscite of January 13 may be added as a third, but in each case stage-managed and preceded by intensive Governmental propaganda. Moreover, while French Caesarism never abandoned the possibility of a progressive restoration of democratic liberty, the Dictators in Italy and Germany claim to have broken with it for ever, repudiating it and condemning it, in the one case on historic, in the other on moral and racial grounds, as the superannuated debris of the French Revolution, no longer adapted for dealing with the economic problems of the modern State, for which a new solution must be found in corporative or functional organization from above. The Italian and German Dictatorships of the Right agree in being: (1) Anti-Parliamentarian, (2) Anti-Pacifist, (3) Anti-international; but otherwise make a distinction in the basis of the State's claim on the individual. National Socialism claims for its field the entire German people, understood as the physical embodiment of a pure racial strain, for the existence of which, however, ethnological science offers no guarantee either of purity or persistence. But with the ~~mob~~ this went down none the worse for being a piece of pure romanticism.

Fascism, which in turn claims inherent superiority for the Italian nation, bases it on no such ground. It is the Italian's "belongingness" (not otherwise defined) to a people possessing a great historic tradition, and of necessity, therefore, a future equally great and glorious, that Mussolini never fails to emphasize to his hearers. But that Italian blood has some mystical quality

importing superiority is no part of his claim. What is supreme is Italian genius and culture.

Both to *Führer* and the *Duce* glorification of their peoples is the best instrument for suppressing belief in the dogma of the class-war, which they are at one in condemning, not only as foreign nonsense but as a socially pernicious consequence of nineteenth century individualism. If now the mass of a people is drilled in the belief of its own superiority over all others, its members will soon ask themselves why, pray, should any of them raise hand one against another, in the name of a dogma invented in mid-nineteenth century by a rootless exile in London, a German Jew without country of his own, known to the world as Karl Marx? And there is reason to believe that Communists regard this inculcation of nationalism as the most formidable enemy which their own doctrine has to encounter.

The fourth element common to the Dictatorships of the Right is acceptance of force as the basis of the regime; and the fifth, repudiation of institutions possessing international affiliations. In National Socialism this follows from the emphasis laid on the word National, which connotes a vertical organization in contrast with the horizontal organization of the Third International, which affirms that the worker has no fatherland but his class. In Fascism the national element is less obvious in its title, but is inherent in the conception of a corporative State comprising the entire people without any exception, organized from on high on the basis of function.

Fascist and Bolshevist Dictatorships Compared.

The new political form which dictatorship has assumed, is itself the child or offshoot of democracy with its Parliamentary government. This form of

government* has, no doubt, defects and weaknesses. The democratic form of government is better adapted to the legislative than to the administrative function of the State, which increases to infinity as soon as the State, based on the system of free competition, abandons private capitalism and seeks to establish State capitalism.

In order to be able to bring about this result, the democratic State, with its multiplicity of political parties, must needs change over to the dictatorship of a single party, which refuses in principle to tolerate the existence of any other. When that change has occurred, the State may either be subordinated to the single party, as has happened in Soviet Russia, or may find the single party placed upon an equal footing with it, as has happened in Fascist Italy and Hitlerite Germany, where the leader of the single party is at the same time official head of the Government.

A further consequence of modern dictatorship is that the particular form of government—whether monarchical or republican—is reduced to a question of secondary importance, since everything is dependent on the organization of the ruling political party, which is always monarchical as a matter of course. In point of fact, the façade which the Bolshevist and the German dictatorship retain is republican, while the monarchical façade is retained by the Italian.

The specific ideologies of modern dictatorships are highly diverse. The ideology of Bolshevism is—at least in principle—democratic. Bolshevism claims, indeed, to be the only *true* democracy, as its aim is to abolish class distinctions with the temporary aid of the dictatorship of a single class, and thus to bring about the complete emancipation of man. Fascism, on the

other hand, is a consciously counter-democratic movement, which wages war on Socialism under the banner of nationalism. Fascism is devoid of all wish to be the dictatorship of a class; on the contrary, it claims to be the representation of the united nation. The Bolshevik dictatorship is proletarian dictatorship; the Fascist, middle-class dictatorship, and with this an aristocratic and autocratic ideology is consonant. In Bolshevism, the industrial proletariat constitutes an *élite* inherently superior both to the rural proletariat and to the *bourgeoisie*. To this Bolshevik *élite* there corresponds the Fascist faith in the Leader, who is called upon to rule from birth by reason of supernatural gifts. In German Fascism this belief is intensified to Messianic pitch. It sees in dictatorship the *Third Reich*, which corresponds exactly with the "Kingdom of God" of the Hebrew prophets.

Bolshevism and Fascism are at one in being at once anti-pacifist and imperialistic; the former because its programme comprised the Socialist world-revolution, the latter because of its tendency to expansion and supremacy as justified by the idea of a "chosen people" in a sense analogous to that of the Bible. In German Fascism this supremacy of race is intensified to the point of creating the "Myth of Blood". Just as Fascist ideology looks down on all other nations as second-class phenomena, so the Bolshevik regards all other social organizations—except his own, the Communistic one—as of secondary value.

Bolshevism and Fascism are, in equal degrees, inherently hostile to the League of Nations because both—the former openly, the latter *sub rosa*—are enemies of democracy. Russia's entry into the League of Nations signifies no more than a temporary modifica-

tion of her fundamental position, imposed upon her by the present special international situation; Germany's departure from the League, on the other hand, is a logical consequence of her Fascism. Nevertheless, it is to be noted that the idea of international organization is not *ab initio* incompatible with the dictatorship of the Bolshevik party—provided the organization constitutes an association of Socialist States. But an International of Fascist States would be self-contradictory by reason of the notion of supremacy inherent in Fascism, as well as of its tendency to imperialism.

While Australia gives little evidence of radical disbelief in representative institutions, those countries which have suffered the demoralization of defeat in the field have reacted violently against this form of government, as inherently vicious.

Hitler, to whom the class-war is a suicidal folly, castigates the selfishness and inevitable political corruption of the system, its disregard of the common interest, of historical tradition and national aim, and its glorification of the main chance. These faults he finds inherent in individualism, as well as in the acquisitive society and the representative system built upon it. Yet he holds the stimulus of individual gain to be essential to the production of wealth, requiring, however, strict control in the general interest. Sovietism professes an opposite belief and is, in fact, rebuilding State Socialism buttressed by a caste system.

In the United States, where "rugged individualism" perished, "just as" did reparations in Europe, from exposure to the economic blizzard in 1934, the Governmental aid for which "an exasperated populace

clamoured, was not, be it observed, the government of an inspired autocrat. What they demanded was a lead as well as aid, and they demanded both from a constitutionally elected President whom they retain the right to overthrow, should he fail to meet their needs. In essence they clamoured for Government by a Super Man yet answerable to the Common Man, who, if unable to provide his leader with inspiration, reserves the right to unmake him.

This is very different from the Fascist system which Professor Finer has described as "Government by acclamation".

It is not merely under the economic blizzard that democracy has come under strain, for the first violence of the blizzard having passed away, and the worst of its effects in many countries having been met by specific adjustments, a new and perhaps more permanent challenge is presented by the expansionist aim of non-democratic countries in the East, as well as in the West. In Europe the leaders of these countries are preparing to achieve them by thorough-going moral regeneration of their people. Beginning with the child, military discipline and training, as well as natural sentiment are inculcated in school, labour camp, and University to produce in manhood an *élite* for service in picked numbers with the colours. Where this intensive culture is at work it is no carrot of comfort, well-being, self-realization, that is dangled before the donkey's nose:

Life is real, life is earnest,
Life is not an empty dream.

In Continental Europe the stage is set again for the struggle for existence among the States, with war as the touchstone of national claims and the mother of

rights. The line of least resistance presented so alluringly to the democratic States in the American dress of the League of Nations, within whose framework war-wearied peoples might rest upon their unaccustomed laurels, and, in a world made safe for democracy, watch the reign of law broaden slowly down from precedent to precedent, while they transferred with impunity national expenditure from fighting to social services—this, thanks to the stirring of the shackled "German Michel" in Europe, and to the synchronized movements of Japan in the Far East, has become the line of least resistance to something very different—to possible perdition. Instead of watching precedents broaden slowly down, the democratic peoples of Continental Europe are standing to their arms.

The Commonwealth, no doubt, has been spared the revolutions and even wars which have ravaged South America during the depression years, and for this she may thank our national stolidity quite as much as the merits of her political structure. But *malaise* though it is, in comparison with the distresses of other countries, our depression is itself a repercussion, however faint, of an upheaval world-wide and most profound. That upheaval threw Herr Hitler into power in Germany, and it is because of Herr Hitler that democratic Europe is standing to her arms. Towards Europe and its aberrations our habitual attitude, it is true, is transatlantic in disdainful detachment, but even we have been jolted out of our sub-tropical somnolence by the discovery that just as Antwerp, in the words of Napoleon, was a pistol pointed at the heart of England, so the aberrations of Europe can be a pistol pointed at the heart of our national dividend.

This much we have learnt from Italy's and Germany's deserting the Australian wool sales. Some of us, moreover, are beginning to divine that in foreign policy the dilemma of the *Next Step* is on our horizon.

To a distracted Europe Great Britain is anchored at once by geographical position, historic destiny, commitment at Locarno, and now, alas—as if to reinforce these ties—by the too long arm of air power. To Great Britain we, in turn, are bound by ties of blood and culture, the claims of markets, not to speak of the nexus of debt. Shall we continue to stick to her closer than a brother? Or shall we continue to decline a share in her Locarno commitment and refuse our help in keeping the peace in Europe? Or, taking our own view of the Pacific problem, urge it upon Great Britain, and, if we fail in this, are we prepared to strike out for ourselves in foreign policy, our lodestar New Markets, and our destiny—to play Portugal to Japan?

These, it seems to me, are the real implications of the challenge to democracy, presented, on the one hand, by the German revolution to Great Britain, and reflected by her mirror to us; and, on the other, by Japan's termination of the security system established for the Pacific Basin by the Washington Conference in 1922.

DISCUSSION

MR W. MACMAHON BALL (Melbourne): "The easy optimism and complacency which has characterized most of our meetings forms a very sharp contrast to the conviction and enthusiasm that animates the younger students of politics in countries like Russia, Germany, and Italy. Those of us who have had the opportunity, in the last few years, of attending meetings of students discussing political subjects in Italy and Germany have, I think, been most impressed by the deep—the amazing—enthusiasm of the young people there. Why is it that we

here are feeling a little tired and cynical, but still fairly complacent, and rest content with our party labels? Is it because there is no real danger here? That is more than a little doubtful. The followers of Mr Lang in New South Wales seem to me to be more enthusiastic, more convinced about their cause, than any other political group in Australia. And, if the Lang cause grows in strength, there will be precipitated a real clash between parties in Australia, such as has occurred in Germany, Italy, and Russia.

“Stalin, Hitler, and Mussolini have discovered an altogether superior technique of leadership to that adopted by democratic leaders. Our leaders tell us that we should be grateful to live in a democracy. They regard the State as the guardian of rights won in 1789. The dictator, on the other hand, does not treat the State as the bulwark of past achievements. He does not ask his followers to be grateful for the rights their forefathers have won. He gives them something to do, and wins their allegiance and enthusiasm by giving them a purpose to live, and if necessary, die for. Emotional exaltation is, of course, not enough, and I deplore the terrorist methods of Hitler, Stalin, and Mussolini. But I do suggest that, if we are to make democracy a living reality, we must discover the technique of arousing the same kind of emotion as is undoubtedly aroused in Europe. We have to discover a way in which we can arouse an emotion which will have satisfactory intellectual foundations, an emotion which will build, and not merely destroy.”

MR F. E. EGGLESTON (Melbourne) said it was necessary to inquire whether our institutions had deservedly lost our faith in them, or whether those who criticized them were influenced by right motives. “I say, unhesitatingly, that the real fault is in the people, in the voters, and not in the leaders or the institution. During the whole of my political life I never once received a suggestion from an elector that was not conceived entirely in his own self-interest. When I faced the electors on the last occasion, I found that the committees of those opposing me were composed of those I had refused to make J.P.s, and my own committee was composed of those whom I had. If people look upon all political projects solely from the point of view of material self-interest, the result will be that even the most just and well-conceived scheme will never succeed.”

MR A. J. HODGSON (Adelaide) disagreed with Mr Eggleston that the electors were essentially to blame. The public had been misled by politicians who claimed, during a boom period, that they were responsible for the prosperity of the country.

Was it any wonder that the people now blamed the politicians for the depression?

The public had also been misled by accounts in the Press of the losses sustained by public works during recent years. Many of these losses would have been incurred if the works had been in the hands of private enterprise. But the public had been given the impression that these losses were due to bungling by the politicians. The advent of the Australian Parliaments into the field of public enterprise had contributed to the declining faith in representative government.

MR LLOYD ROSS (Sydney) was afraid that the discussion was becoming trivial because it was leaving out the question of fundamental beliefs. Mr Keynes was supposed to have said recently that the future of the world lay between Marx and Douglas. Unfortunately, Mr Keynes had repudiated this statement, but it was probably true, because these two schools of thought had aroused in the masses profound and passionate convictions.

The real reason why democracy was in the doldrums was because it had failed to solve the problem of unemployment, and if that problem persisted, then we should have here in Australia all the violence that had occurred in Europe. Those who knew the experience of conscientious objectors in New Zealand, and the experience of certain Communists in the rural districts of Australia, realized that there is no fundamental difference between the holders of private property here and anywhere else.

MR J. A. MCCALLUM (Sydney) conceded that the dictatorships in Europe had done more towards solving the problem of unemployment than had representative governments anywhere. But before he was prepared to accept a dictatorship, he would have to be assured that there was some prospect of the dictators themselves ruling according to law. As far as he could see, there was no hope of this—even Russia was not developing in this direction. He was therefore forced to accept representative government because there was no other tolerable alternative. When one confronted a seemingly insoluble problem in one's personal life, there were only two alternatives possible—either to commit suicide, or to go on living, hoping vaguely that eventually some solution would be stumbled upon. At the present juncture Parliamentary government had reached this grim position.

MR P. D. PHILLIPS (Melbourne) felt that the discussion had already revealed the old conflict in politics between escapism and realism. The escapists were represented by Mr Lloyd Ross and the Douglasites, who gave up the attempt to understand the real problems of government, and rested content

with slogans and ready-made formulae. The central problem of government was really twofold: to fashion policy and to win assent to it. To-day, both these tasks had become unusually difficult. The discovery of wise policy was difficult because issues were complicated and facts multitudinous; and consent to a policy could only be secured by courageous leadership. The problems which escapists waved aside as trivial, and immaterial, had to be solved even in dictatorial regimes. There were problems of land settlement, of water conservation, of housing and transport that had to be solved in the Kremlin. He would remind Mr Ball, too, that the trouble with dictators was that they afforded to their youthful followers no real participation in government. They gave them a lot of empty emotional fodder, unsatisfying in the long run, while the leaders went off into their Brown Houses, and dealt with the real problems. Under representative government, youth was invited to share in solving these real problems.

Mr D. McLELLAND (Sydney) challenged Mr McCallum's statement that the dictators were solving unemployment. It was easy to "solve" unemployment by reducing the standard of living of the people; or by driving thousands into concentration camps, and calling them "employed". But that did not solve the real problems confronting a civilized and intelligent community, viz., how to raise standards, and provide greater freedom and economic security for all classes.

OVERHAULING THE MACHINERY OF GOVERNMENT

By F. A. BLAND

I

It is inevitable that in an age of breathless speed and of undaunted pursuit of fresh goals, the processes of government should be transformed. Gone are the leisurely legislative sessions which gave us a few major measures that long remained to determine popular rights and official activities. Gone also is the contented cultivation of an easily-managed public estate, for, consumed with a fever of acquisitiveness, the modern politician has added field to field until his domain knows no bounds. Where before, three Parliamentary years were sufficient for his modest needs, to-day they are all too short to enable an ambitious party leader to effect a promised reorganization of the whole of the affairs of the extending Government estate. He longs for the spacious days of the Septennial Act, or like Cripps and Mussolini, he dreams of an indeterminate tenure. As it is, he and his colleagues, on attaining office, must immediately jump into their stride if they are to accomplish their task. His party supporters will not brook delay, and with their demand

for despatch, the Government's vigour and resolution become too often synonymous with hasty decisions and precipitate action. Traditions and conventions, checks and balances, devised by past generations to restrain impetuous executives, are disparaged as obsolete obstructions in the path of a victorious party, armed ~~with~~ a so-called popular mandate.

It may be admitted that our political institutions, like the Victorian suburban sitting-rooms, are congested with relics and heirlooms which hamper free movement. It is also true that in the ramifying public estate of to-day, some situations develop so rapidly as to demand quick decision and prompt intervention, and that these are often difficult to make if there is a meticulous observance of the niceties of existing Parliamentary procedure. But the frequency with which the procedure is suspended, itself constitutes a danger, and raises doubts about the real utility of continuing to maintain the whole establishment. Some political parties, with their studied intransigence, as well as their growing desire to become totalitarian, tend to fan the embers of unbelief, to cultivate impatience with Parliamentary government, and thus to swell the numbers of those who look with admiration upon the achievements of rival systems, such as Fascism and Communism.

More discriminating and disinterested persons view with alarm the apathy of the mass of the people to the confident challenge being made to our institutions, which, admirers assert, have matchless qualities for securing lasting progress. As opposed to those who would throw away the baby with the bath water, these people believe that all the operations of the govern-

ment household would work smoothly if we would but reform our methods and our practices. They are quite aware that machinery will not immunize us against all the diseases which now attack our political life, but they are convinced that wisely constructed machinery will at least be useful to divert the now surging stream of government into channels where it can flow with an orderly and stable pressure, and not tumultuously and arbitrarily as at present.

Despite constant disappointment, the hopes of these reformers refuse to be dashed. They know that no system can be better than the men who operate it; that if men are content merely to pay it lip-service, the best system will be paralysed. If, on the other hand, there can be infused into its working something of the spirit of service, then even a faulty system will be vitalized and transformed. Reformers, therefore, are sustained by a faith which believes that, given appropriate machinery, men will respond, and the standards of political conduct and capacity will be equal to the effective management of the ever-extending public estate.

This paper is concerned to express these ideas. It will give scant attention to the views of the school which has surrendered to Caesar worship, or of that which is convinced that the present system will inevitably collapse and be supplanted by a Dictatorship of the Proletariat.¹ Implicit in every suggestion is an intention to build new bulwarks for those fundamental liberties which many of us heedlessly hold, and to try to harmonize the general structure with the traditional architecture of our British Parliamentary system.

¹ Cf. Mitchison: *The First Workers' Government*, 1934 (Gollancz).

II

The realistic descriptions by men like Bryce, Smuts, Muir, Hewart, Laski, and Cole, of our political institutions, have made us familiar with the changes which have taken place in their spirit and working since Bagehot drew his vivid and classic sketch. But not everyone appreciates the variations from the parent stock which have resulted, naturally, from transplanting it to a new environment, where many of the restraints of custom and convention are absent, where the stratification of society is not so marked, and where there is no tradition of a ruling class. In Australia, for example, public men live much closer to the people and are more easily accessible to them than in England, although even there, the changes in the character of the Press and the development of the radio, have contributed to bring twentieth century statesmen more often before the footlights than was the case with Peel, Palmerston, Gladstone, and Disraeli. The ease with which contact can be made with Australian politicians in their ministerial offices, in the halls of Parliament, and in public places, robs them of the authority and mysterious glamour which surrounds secluded statesmen, and this familiarity has had its repercussions on the working of our representative institutions. Parliament, therefore, is very different in Australia from what it is at Westminster. As the old ceremonial and ritual have been discarded, there has been a change in dignity, and this is reflected in the conduct of Parliamentary business and in the quality of debates. Since the war, the declension in the tone of Parliament in some States has been very marked, and while it may be traced in part to what

Bagehot described as the change of generation,² it is also attributable in no slight measure to the growing divergence in aims and outlook of several political parties.

It is the unsettlement which this divergency has created which is at least one justification for overhauling the machinery of government. The old machinery worked because it was designed upon the basis of certain assumptions. Those assumptions can no longer be made. Can the machinery operate in their absence?

While conditions vary in the several States, there has been, since the war, an alarming readiness to vary, if not to reverse, the legislative and administrative actions of defeated Governments. Parties have become hopelessly intransigent, and this condition is accentuated by the rigidity of party pledges and the inflexibility of party machinery. Details of administration become vital political principles, and wild promises of political action are made by candidates without any realization of the issues involved. As an inevitable consequence, it has been increasingly impossible for private or public enterprises to pursue any consistent policy of development, and this is fatal to stable economic life, when, as in Australia, Government policy enters so much into the calculations of entrepreneurs.

For example, in the field of public enterprises, there was from the eighties of last century, an inclination to place them under statutory Commissions, and to endow these Boards with a considerable degree of independence in general management. Since the war, the tendency has been to use these Commissions merely as

² "The spirit of politics is more surely changed by a change of generation in the men than by any other change whatever." *The English Constitution*, 2nd Edition, Paternoster Library, Introduction, p. xi.

instruments for effecting party political ends, either in the interests of employees or consumers. Personnel changes have been frequent, especially where the management showed independence, and this has had serious reactions upon efficiency.

To a lesser extent, the same thing is true of Public Service administration. By the end of the last century, Commissions had been established to deal with all personnel problems and office organization, but since the war, the value of the Public Service vote has not escaped the notice of political parties, and in some States there has been a distinct development in the direction of a politicalized Public Service, with all the waste, uncertainty, and inefficiency which that implies.

Nor has there been any general recognition of the need for Governments to have constant expert advice in meeting the urgent problems which now confront them. There has been little appreciation of the notable experiment which England has worked out for more than sixty years, designed to build up a highly-competent administrative division, and no attempt made to emulate it. The formulation of the Premiers' Plan did show what might be gained by collaborating with an academic Brains Trust, but nothing has been done to capitalize that experience. As it is, we, too, are threatened with Bureaucracy and the New Despotism without the redeeming features of their English manifestations.

Again, the virus of economic nationalism seems to have attacked the States, and despite the intention of the framers of the Federal Constitution, and because the machinery which they devised has been discarded, the spirit of Federalism has been violated by the imposition, in the interests of State nationals, of barriers to

the free movement of goods between States. As it is, traders generally and border peoples in particular, have been left with little protection against the decisions of *ad hoc* State authorities, and there is a new realization of the urgent need to reconstitute the Interstate Commission to handle these matters.

While the tendencies which have manifested themselves since the war have been elaborated at some length, the overhaul to which it is proposed to subject our machinery of government will not be confined to them. Their problems will be met, and they will fall into their proper place in the wider purpose of this paper, which is to ensure that system of government recently described by Professor Barker³ as "the highest form of Democracy, when a free people, freely thinking its different thoughts, freely expresses them by different parties, freely debates them in a freely-elected Parliament, and freely reconciles them by the free inter-play and co-operation of parties—Government and Opposition, Cabinet and anti-Cabinet—in such a Parliament".

It may be convenient to distinguish political from administrative reforms, although their interaction upon each other will be obvious.

III

Political Reforms.

The most noteworthy change in our Parliamentary system has been the shifting of the centre of gravity from the Legislature to the Executive. It is unnecessary to attempt to trace the gradual evolution of this transference, but it is clear that, although Parliamen-

³ *International Affairs*, Nov.-Dec., 1934, vol. xiii, No. 6.

tary proceedings are still the most spectacular part of government, Parliament is becoming, as General Smuts has reminded us, of less and less importance. In passing, it may be suggested that some of the present dissatisfaction with Parliament is due to a distorted popular idea of its functions and powers. Our first task, therefore, is to try to put them into proper perspective. And here we must discard the guide books of the conventional text-writers and follow newer trails.

Sidney Webb considers that the popular assembly is practically limited to the function of making and unmaking a Government, of criticizing, obstructing, or amending any legislation brought forward by a Government, and of offering a belated criticism on any administrative policy which has involved expenditure. Ramsay Muir strikes a similar note.⁴ He says that so long as the Government has a clear majority, Parliament is reduced to two functions. It is an electoral machine, by means of which the decision of the electorate is given as to who shall wield the immense powers of government, although normally this power is exhausted at the moment of election, which decides the main issues. It is also an advisory body, through which the all-powerful Government is enabled in some degree to feel the pulse of the country, and to modify its proposals so as to avoid alienating public opinion. Again, Ramsay MacDonald says that the chief purpose of a general election is to select a Government, and to send to Parliament a body of supporters strong enough to maintain it in office. All these descriptions considerably deflate the orthodox view of Parliament. It is true that they depend to some extent upon the

⁴ Cf. Muir: *How Britain is Governed*, 1930 (Constable).

condition that the Government has a clear majority. When it has not, or when the popular House is confronted with a strong Upper House chosen on a conservative franchise, or endowed by the Constitution with independent powers, then the obstructive powers of Parliament are fortified *vis-à-vis* the Executive. But broadly speaking, the pictures of Webb, Muir, and MacDonald are correctly drawn, and the very existence of an Upper House not dependent upon the popular will, serves only to intensify this general impression of Parliamentary inferiority. Furthermore, so long as members of Parliament acquiesce in this conception of their functions, no machinery reforms are likely to remedy the pathological state of the Legislature. If, on the other hand, members believed what they say about the omnipotence of Parliament, and if they merely accorded general support to a Government, reserving the right to consider all its proposals on their merits, there might be revived a situation in which Parliament could assume a real control on behalf of the people. It is often forgotten that, although power has passed from the hands of monarchs claiming office by divine right, into those of popularly-elected executives, the exercise of that power still needs restraint. The elected demagogue, supported by a totalitarian party, can be even more ruthless and tyrannical than the hereditary ruler of other days, as European experience amply testifies. And, in British communities, when we occasionally gird against constitutional restraints, it is worth remembering that popular Governments are not always right merely because they assert that they are, and because they can point to a majority of votes to justify their exercise of power.

In New South Wales, during the last decade, we have had many opportunities to test the truth of this statement, but even the more conventional Governments have been prone to translate their party programme "into an imperative and exclusive gospel". For example, during the last session⁵ of the New South Wales Legislature, a ministerial supporter strove to press an amendment to a Bill with arguments which he considered unanswerable, but the Government contended that it would be abdicating its functions if it allowed party supporters to change the form of measures which had been predetermined by Cabinet.

This attitude postulates a conception of the functions of Parliament, and of the Cabinet respectively, which negatives any status of equality or any right to exert a control on behalf of the people. It assumes that the Cabinet has a monopoly of authority, and must be right, and so undermines the tradition of British law-making that the best laws are those which all sections can feel they have had a share in making. Or, as Professor Barker puts it,⁶ law-making is a process "of the grand dialectic of public debate, in which thought clashes with thought until a reconciling compromise is found, which we can all accept because we can all see some little element of our thought, some little reflection of ourselves, in the lineaments which this compromise presents". When Cabinets stifle discussion in law-making, they tend to degrade both their supporters and the opposition to the level of a species akin to the American "Automat" machine, which never disappoints patrons. Furthermore, when party leaders denounce as disloyalty any exhibition of independ-

⁵ *Parliamentary Debates, Legislative Assembly*, December, 1934.

⁶ *Op. cit.*

ence by the rank and file, the judgment of the electorate is likely to be warped, and electors to become irritated, when they ought rather to be gratified with members who rebel against party regimentation.

Do we want to restore to Parliament its former power to exercise a control on behalf of the people? Can we come to regard it again as the most effective instrument for protecting the people against abuse of power and privilege, whether by Cabinets, or officials, or sectional groups? If we do, what machinery reforms of Parliamentary procedure are desirable? We know that Parliament does not initiate legislation, that it does not control finance, or devise economies; that it cannot organize departments, appoint officials, or supervise their activities with a view to securing efficiency and economy. But it can, and it ought to create agencies responsible to it for these things, so that the people may feel that their interests are not being disregarded. In discussing the machinery, which seems to me desirable, I must content myself with somewhat dogmatic statements, for the limits of this paper will prevent any lengthy elaboration of them.

IV

As a preliminary step, the *life of each Parliament should be lengthened to five years*,⁷ not only to lessen the feeling of immediacy which now overwhelms a new Government, but also to allow time for results to become apparent. Cause and effect are increasingly difficult to isolate in politics, and the position is aggravated when policies are reversed by alternating parties,

⁷ This reform was effected in South Australia in 1933. It was suggested by the Premier of Victoria in the election campaign of 1935, but not made an election issue.

urged on by an anxiety to obtain immediate results. It is imperative that Governments should have more time to mature their programmes, and to examine every situation before acting. A longer term would also tend to improve the status of the private member, for, relieved of the necessity of nursing his electorate, he might be less likely to sink his independence in the party room and the House. Furthermore, with a longer Parliamentary term, the Government could afford to make more time available for the discussion of private members' business.

It is not suggested that the term should be fixed, as in the case of municipal councils. Members should always be sensitive to popular opinion, and the sanction of a possible dissolution should not be removed. That sanction would remain, as at present, in the Cabinet, and there is no reason to think that it would be applied arbitrarily.

The *Speakership* should be removed from the arena of party spoils. In few of the Australian Parliaments has the Speaker the status originally associated with the office. He *may* be, administratively, the chief officer of the House, but it is doubtful whether he can claim to be the guardian of its privileges. And yet that is imperative, if machinery reforms are to achieve anything. If the office were made non-party, and a suitable member selected, the Speaker might be endowed with greater responsibility. For example, he might be authorized to determine the appropriateness of attempts to make all divisions a vote of confidence in the Government, a sanction too often used to stifle debate and to compel submission on the part of wavering members. He could declare that particular amendments were not of the essence of a measure, and thus

enhance the independence of members. If he were, in fact, the chief officer of the House, and not merely a member whom the party found it expedient to placate, it would follow that normally he would not be opposed in his constituency. This, again, would raise his prestige and enhance his ability to guard the privileges of ordinary members.

Standing Committees.

If Parliament is to be able to exercise any real control on behalf of the people, it is essential that its position should be strengthened *vis-à-vis* the Cabinet and the administrative officials, with a view to its imposing restraints upon them. It is characteristic of authority that it ill submits to rules which it minutely prescribes for others. For example, Parliament prescribes model rules for the conduct of the activities of companies and the protection of shareholders. Minor Governmental agencies and municipal bodies must meticulously observe a procedure for making by-laws, for levying rates, and for incurring financial obligations. In municipal councils there are finance committees, general purposes committees, and so on. Standing Committees are the natural Parliamentary counterpart to municipal committees, but in Australia their nature and functions have, with a few exceptions, been limited to minor domestic concerns of the Houses. It is suggested that their number should be increased, and their scope extended to cover the main functions of government, e.g. education, transport, finance, social services, development, and justice. The Committees might be nominated for each Parliament by the Speaker, the Premier, and the leader of the Opposition, though it would be appropriate for the Government to have a

majority upon each. Appointment would depend upon interest and suitability. It is not intended to use these Committees to abrogate ministerial responsibility, nor to attenuate Cabinet authority for policy. They would, however, afford opportunities for utilizing the abilities of private members who now find little scope for initiative. The writer knows of one member of the New South Wales Legislature who seriously stated that, during a long session of Parliament, he had never heard a debate but had never missed a division! Standing Committees would minimize such a prostitution of the status of the popular representative.

Let me sketch, first, the working of Standing Committees in the matter of law-making. I do not wish here to elaborate my ideas upon the manner in which the Cabinet formulates the Bills it presents to Parliament, but I am convinced that this urgently needs overhaul.⁵ And I suggest that Standing Orders should prescribe that with every Bill there should be submitted (a) a written description of its principles and objects; (b) an explanation for the reason for any departure from accepted principles; (c) a Certificate from the Public Service Board, certifying to the probable cost of administering the measure, including a statement of the strength and status of the personnel; and (d) a recommendation from the same agency as to the most appropriate ministerial department to which the new division should be attached. Much of the existing political enthusiasm for extended Government services would be likely to be dampened, if the public knew at the beginning what additional taxes they would be called upon to pay for them. Leave

⁵ Cf. the manner in which the Rt Hon. Herbert Morrison prepared the London Passenger Transport Bill.

having been given, to introduce a Bill, it would be immediately referred, with the information specified, to the appropriate standing committee. And here, again, I suggest adapting the existing procedure of municipal councils. In local government, all proposals are thrashed out in committee between representatives and officials. The officials answer questions, afford information, make suggestions, utter warnings, and give advice out of their wider experience of administration. In the Legislature, despite the fact that most measures are highly technical, widely ramifying, and all-important, members are left unaided to grapple with them. They have been afforded a Ministerial explanation of the principles in the second-reading speech, but in committee they have to find out whether the clauses faithfully reflect those principles. No one who is familiar with the procedure of the House is unaware of the influential part public servants play in the preparation of Bills, in writing second reading speeches, and in prompting Ministers in committee. But it is informal, and it is not available to the whole House. What valid objection can be raised to giving members similar official assistance to that which their colleagues in local government receive? Public servants would have to be tactful in expressing their views, but no difficulty is experienced on this score in municipal affairs. There is no reason to think that officials would depart from their traditional impartiality, but there is every reason to believe that their presence in the Committee room, and their participation in Committee deliberations, would protect both the members and the public against much *ex parte* legislation. When the Bill was reported out of the Standing Committee, the subsequent procedure

in the House might be gone through as rapidly as financial measures now do, after debate in the Committee of Supply.

In addition to the advantages from this reform already indicated, it is believed that the informal discussion in the Standing Committee would tend not only to loosen the rigidity of party ties, but to evoke a positive spirit of co-operation. Even the most intransigent party hack cannot for ever remain deaf to argument and indifferent to results. Members generally could not become aware of facts which affected the welfare of the community, and still wish to subordinate everything to party advantage. Members, and the public, too, would gain a better appreciation of their officials and of the quality of representatives, and some of the suspicion now engendered by lack of knowledge would be dissipated. Finally, even though the subsequent examination in the House might still provide scope for forensic appeals, partisanship would command less influence, members would be more independent, and speeches would be more informed and precise.

Although I have used the municipal committee meetings as a basis for my suggestion, I would remind you that the proceedings of Parliamentary Public Works Committees, and Parliamentary Public Accounts Committees provide us with some experience of the association between members of Parliament and public servants in the examination of specific problems. But the procedure in the Standing Committees would be much less formal than in the Committees referred to, and this would be vital if they were to get through their work.

In concluding this discussion upon Standing Committees, may I say that a Standing Committee on

Finance would go far to restoring the much-vaunted, but now entirely empty, claim that Parliament controls the purse. In particular, this Committee should examine the reports of the Auditor-General and the Public Service Board, and take such steps as would enable Parliament effectively to deal with the several suggestions which are annually made in those reports, but which are now almost entirely ignored.

And it should be a convention of Parliamentary procedure that the ordinary processes should not be suspended except under the strongest justification. The custom of suspending Standing Orders to enable Bills to be rushed through at a single sitting is not only an index of the impotence of Parliament, but it may also be a measure of Ministerial dilatoriness and ineptitude, which should be visited with special penalties. It is just probable that, in some instances, the last-minute demand for speed is an indication of internal disagreement either in the party or the Cabinet, which had rendered earlier action impossible, and therefore such proposals should be regarded as all the more suspect.

V

The Cabinet.

Although the Cabinet has been described as the main-spring of government, its working is mainly a matter of convention, and its efficiency a problem of personalities. Both the war and the peace tested its ability to conceive and pursue a coherent and continuous policy, while its dependence upon the party machine makes it liable to subordinate public well-being to party advantage.

Amongst the many domestic renovations which Mr Lloyd George put in hand during the war, in order

to make the Homeland fit for heroes, was a revision of the processes of government. The Machinery of Government Committee, with Lord Haldane as Chairman, was entrusted with the task, and its report in 1919 upon Cabinet reform may be regarded as a classic. Post-war developments, however, have varied the factors and altered the emphasis, which makes it necessary to re-state the problem of Cabinet reform.

There is, first, the trend in regard to the two chief attributes of the Cabinet system—Ministerial responsibility and Cabinet solidarity. The first will be recognized as only a ghost of its former self. The decay of impeachment has destroyed that sanction, while party regimentation has helped to sap the doctrine of its vital substance. Furthermore, both in England and Australia, the creation of quasi-independent corporations has relieved Ministers of any responsibility for some functions of government. On the other hand, the foundations of Cabinet solidarity have also been breached in England and Australia. When Mr Ramsay MacDonald formed his National Ministry in 1931 he was sharply criticized for not giving effect to his known views on Cabinet reform. And when his Cabinet decided to break with the tradition of Cabinet solidarity, as a price for the co-operation of Liberal Ministers, many predicted the break-up of the old system. In Australia, there have also been several post-war developments which have modified the working of the system. In one major party, and perhaps a second, the practice has developed of giving the Caucus, and not the Prime Minister, the right to choose Ministers, and this has brought the problem of divided loyalties. If a Minister declares that his allegiance is to his party, or even to a *junta* outside Parliament, what

redress has his leader; if a Minister persists in a policy of which he disapproves? Will that mean the introduction of a system of recall?

Another feature of Australian political life has been the rapid turnover at elections, and almost every Ministry now contains men who are new both to Cabinet rank and to Parliament as well. This has tended to put a severe strain upon our constitutional conventions, and created not a little embarrassment in the conduct of public affairs. Furthermore, the irreconcilability of political platforms has deranged administrative machinery when changes of Government have occurred, and produced repercussions throughout the whole community.⁹

It is not unnatural that the Cabinet system should have produced a large crop of critics. From the welter of opinions, two opposing views seem to have emerged, in England. On the one hand, it is said that the Cabinet is extraordinarily vacillating and dilatory. It is little more than a meeting of departmental chiefs, content to approve what permanent officials insist must be done, thereby enslaving both Cabinet and Parliament in the grip of a powerful and highly efficient bureaucracy.¹⁰ The other view, which reflects European developments, demands that the Cabinet must be purged of the taint of departmentalism and left free to apply itself to its executive functions. While paying

⁹ Both the Parliamentary system and the Cabinet assume that there will be continuity of general policy within the institutional framework of society, and therefore violent fluctuations tend to undermine the whole system.

¹⁰ In the first Labour Cabinet in the Commonwealth Parliament in 1910, the Hon. King O'Malley created a stir by asserting that Ministers were supposed to be "rubber stamps" in the hands of officials. In the Melbourne *Herald* (25.1.35) he reiterated this statement and revealed the difficulties which a new Minister had to face in his department.

lip-service, to the idea that the supremacy of Parliament should not be impaired, advocates of this view assert that, in the last resort, government is a one-man business, and if a political leader were fit for his job, his functions would be broadly those of supervision and decision.

In Australia many will be found to agree with the first view, although there are not wanting some who approve the second. For example, during the last Lang regime in New South Wales, the Chief Secretary, the Hon. Mark Gosling, in defending Mr Lang's lone-handed policy, said: "The Cabinet has one leader, who announces its policy. When he announces it, we follow, and as soon as he announces it, we know where we stand. We do not seek to know what he is going to do, and are prepared to surrender our judgment, if necessary in advance."

Did the Cabinet completely conform to either of these conceptions, needless to say, the liberty of the people would be seriously threatened, for they would be faced either with a bureaucratic despotism or a demagogic tyranny. It seems necessary, therefore, to devise machinery for the working of the Cabinet system which will give us, at one and the same time, the conservative influence of the official, and the vigorous detachment of the energetic Prime Minister.

The Haldane Committee¹¹ laid down, as preliminary desiderata for the effective working of the Cabinet, that (a) it should be small in numbers; (b) it should meet frequently; (c) it should be supplied in convenient form with all the information necessary to enable it to arrive at expeditious decisions; (d) it should consult all Ministers affected by its decisions; and (e)

¹¹ *The Machinery of Government Report*, 1919, p. 5.

it should have systematic methods of securing that its decisions were carried out by the departments concerned.

To ensure these conditions, it leaned towards the creation of an inner Cabinet, in analogy to the War Cabinet; it recommended the creation of a Cabinet Secretariat; and it stressed the importance of recruiting an Intelligence Staff to afford opportunity for inquiry, research and reflection, before the Cabinet defined its policy and put it into operation.

In some of the States, Secretariats have been established for the purpose of preparing agenda papers, noting decisions, and following them up. The collection and presentation of material upon which the Cabinet shall make decisions is a matter which varies with the personality of the head of the Government. There may be small personal staffs attached to the Premier's Office, who are not members of the regular Public Service, but they can generally be regarded as party outposts detailed for duty at the seat of government in the interests of the party. They are only a pale reflection of the Intelligence Staff which the Haldane Committee had in mind.

It should hardly be open to argument that the job which the Cabinet needs done is beyond the capacity of the private secretary or the personal staff. Government has changed its content and its scope, and its conduct transcends party aggrandizement. Ill-considered developmental projects may, in a world of incipient self-sufficiency, disturb the whole national economy. Similar results may attend an unwise financial policy, or undigested schemes for nationalizing public utilities. Yet every session sees these launched on the legislative sea, where votes are cast, but discus-

sion has little influence. As the Haldane Committee remarks, "no adequate provision is made for the organized acquisition of facts and information, and for the systematic application of thought, as preliminary to the settlement of policy."

I am satisfied that the Cabinet needs a special economic division similar to that which we have created for industry in the Council for Scientific and Industrial Research.¹² It will not be political, like the Loan Council, or the Agricultural Council, which determine policy, but a specialist bureau which collects and analyses data. Its most appropriate location would be at the University, financed by and yet detached from the Government. Alternatively, it might be associated with the Government Statistical Office, where machinery already exists for the collection of other essential data. It would comprise a small number of permanent men, expert in different fields, and its personnel could always be increased by drawing temporarily upon University staffs, or other scientific bodies. Indeed, it is highly important that there should be the closest possible connection between University Faculties in Economics and Politics and the bureau specialists.

The bureau would undertake research either at the request of the Cabinet, or Parliament, or on its own initiative. Its material would, like that of the Statistical Bureau, be available to the Government, the public, or Parliament. Indeed, it could be hoped that Parliamentary Standing Committees would make ample use of the bureau, when discussing economic and social measures presented to Parliament by the Cabinet. I am not concerned that this course would

¹² Cf. *Britain's Industrial Future*, 1928 (Benn), p. 116.

have the effect of slowing down the work of government. Speed may be exhilarating, but it is very exacting, and in the matter of legislation it is still good advice to hasten slowly. The investigations of such a bureau would also be of incalculable value in educating public opinion to the significance of cause and effect. It is an indispensable part of the machinery for enabling a control to be exercised on behalf of the people.

It is useless to provide such a thought organization for the Cabinet if the internal working of the latter precludes the fullest use being made of the bureau. While Australian Cabinets do not lend themselves to the formation of an Inner Cabinet, there is urgent need that the Prime Minister should be relieved from some of the cares associated with his departmental portfolio. He cannot be expected to concentrate upon the general management of the affairs of the whole public estate, and at the same time be held personally responsible for specific domestic details. If the Prime Minister takes another portfolio, such as Finance, then he should be given an Associate Minister, either as an Assistant or as a Parliamentary Under-Secretary, to relieve him of the major burden of the work, and thus permit his devoting himself uninterruptedly to a consideration of national issues.

VI

Administrative Reforms.

In the modern State it is incontrovertible that Government is Administration. To the charmed trinitarian circle of the Legislature, the Judiciary and the Executive, must now be admitted another deity—the Adminis-

tration. Although the political Athanasius may contend that this deity is of *lesser* substance, created by the Legislature and *proceeding* from the Executive, yet the man in the street is finding it *necessary to salvation* to approach it as one *co-equal* with the others. It makes laws, it sits in judgment, and it executes, I had almost said, "vengeance upon the evil-doer". At least it regulates "thy going out and thy coming in" . . . from the "rising of the sun unto the going down thereof".

It is not, however, this seeming omnipresence to which I wish to direct attention. It is rather to some of the disturbing developments which have taken place during the post-war years. For there is war on Olympus. The gods have fallen out. The upstart administrative deity has been denounced as a "New Despot", and the judiciary has joined in the attack. Ordinary mortals have taken alarm, and fear they may be sacrificed to the sport of the gods.¹³

It is this which makes it necessary to re-survey the whole situation. Expressed in conventional idiom, the most pressing problem is to find the line of demarcation between politics and administration. Contained in this problem, there are a number which are ancillary. For example, are administrative officials to be regarded as agents of the party in power, or servants of the public? In some European countries, where parties have become totalitarian, membership of, and allegiance to, the party are pre-requisites to public office. In Australia, there are not wanting indications that the party is not content to "drive a stream of tendencies" through the administration, but wishes to decide the quality, colour, and strength of the stream. If we decide that officials are public servants, can we

¹³ Cf. *Report upon Ministers' Powers*, 1932, G. B. Cmd 4060.

reconcile the principle of official independence with public control? In other words, can we import into administrative practice some of the principles which are embedded in our judicial system? And further, since the State is bent upon creating scientific and technical agencies, and in nationalizing services such as transport, broadcasting, and banking, is it possible to ensure that these agencies shall be managed by properly-qualified executives, with security of tenure, and opportunity to maintain continuity of policy? And if all these things can be done, can we at the same time protect the people against the arrogance of bureaucracy, and the oppression of the New Despotism. For it is, unfortunately, too true that if men are given the power of gods, there is a not unreasonable presumption that they may behave like beasts.

Shortly stated, I suggest that the problem is one of importing into the whole administrative machinery the principles of the "Rule of Law", which is one bulwark of our civil liberties. That is to say, we must banish arbitrariness, caprice, prejudice, and ineptitude from the administration of personnel, finance, technical and business undertakings.

VII

Before indicating the machinery requisite to this end, let me state, without elaboration, some of the fundamental conditions, as I see them, to efficient administration:

- (a) The determination of policy is the function of the Executive, with the approval of the Legislature.
- (b) In the administration of that policy, the Execu-

tive is entitled to expect unstinted assistance from public servants, subject to the condition that the policy must not subvert law and order. (The pretended power of suspending and dispensing with the law is illegal—an ancient declaration now often forgotten.)

- (c) The implementing of policy is the function of expert administrative agencies, whose proposals with regard to personnel, organization, and cost should be before the Legislature when statutory authority is being sought by the Executive to its policy.
- (d) The public servant is the servant of the public, and therefore his work as the agent of a political executive must not be construed as entailing prior membership of a party. Rather must ~~the~~ public servant know no politics.¹⁴
- (e) The exercise of political patronage is fraught with danger to parties and to administrative efficiency, and should be narrowly circumscribed, if not abolished. All appointments and preferments should be made by competent administrative agencies. Nothing is "so difficult as the inculcating of the truth, that though an appointment made by personal or party patronage may be individually pleasing . . . it is a crime against the public weal, because it is an arbitrary tax".¹⁵

¹⁴ "The public servant needs to learn, and can be taught, that he serves the public, and has the obligation of satisfying, not his taste for governing others, but the public's wants; and he must be politically neutral."—Herman Finer, in *English Local Government*.

¹⁵ Finer, *op. cit.* See also Laski: *Grammar of Politics*. "There seems now no reasonable ground for doubt that the less control the political executive possesses over the appointment of permanent officials, the better it is for the State. It is not only that

- (f) The use of the prerogative to dismiss public servants is an anachronism, and should be replaced by a judicial process, rendered by appropriate administrative tribunals.
- (g) The arbitrary dismemberment of administrative and business agencies is inimical to the public well-being, and the Executive should be required to establish its case for such action before administrative tribunals in the same way as it has to prove alleged breaches of the peace, or desired variations in industrial conditions before arbitration tribunals. It is hard to estimate the expense and waste caused by the constant changing of the personnel and the internal policy of Government Boards and Commissions in New South Wales. The staff is unsettled by these changes, discipline suffers, and these are reflected in loss of efficiency. Successful administration demands reasonable continuity both in policy and management.
- (h) All of which is to say that I do not regard the political executive as more than one of the agencies which the modern State finds it convenient to have for the purpose of administering its affairs. The political executive has no sacrosanct prerogative to do what it likes. The so-

insecurity of tenure depletes the ranks of the Public Service of experience that is essential to its efficient conduct; that men of ability and character will not be tempted into work where there is no guarantee of a continuous livelihood; and that the absence of a constant tradition will always tempt the political executive to twist the law to its own advantage. It is clear from the experience of every modern State that the power to control appointment to the Public Service makes certain, where it is possessed by the political executive, an ample corruption of public life. . . . The Public Service of a State must therefore live under the ægis of two definite rules. It must be appointed by persons other than those in the Cabinet, or its subordinate political posts; and it must be appointed under rules which reduce to a minimum the chance of personal favouritism." Pp. 397-98.

called duty of the "Government" to govern, is a duty which is shared equally by the Legislature, the Judiciary, and the Administrative agencies. The political executive must share its sovereignty, and realize that even the most totalitarian political party is not synonymous with the community.

VIII

Amongst the administrative agencies I should create, and the machinery I envisage for accomplishing the conditions mentioned are the following:

(i) *A Supreme Administrative Council of State.*—

It would include persons with executive experience in law, finance, applied science, personnel management, and business organization. It would be sectionalized, as is the Supreme Court in its several jurisdictions, but it would sit as a Full Council to hear appeals from its various divisions. Its object would be to protect the people, enhance the authority of Parliament, and foster the rule of law. Amongst its powers and functions would be to adjudicate upon applications by the political executive to abolish, dismember, or reorganize agencies, such as Tariff Boards, Transport Commissions, or Water Trusts. It would hear appeals either by the political executive, or the public, against decisions of public or private corporations to raise railway fares, bank rates, or bread prices. It would have jurisdiction over all that field which is now popularly described as the New Despotism. That is to say it would decide upon alleged excesses of departmental regulation-making power. In this connection its jurisdiction should be co-ordinate with that of the

Parliamentary Standing Committee. It would also have power to review all those decisions of a quasi-judicial character now made by administrative officials, into which the ordinary courts will not inquire, such as censorship, and postal prohibitions. In the exercise of its functions, the Council would have power to co-opt technical members of other agencies, such as Tariff Boards, Public Service Commissions, and the Intelligence Bureau, to assist it in special cases. It would be desirable to allow a limited appeal from the Council to the ordinary Supreme Court in matters affecting private and public rights and property.

This agency seems to me to be required to cope with the new rigidity and intransigence of party politics, which have tended to make the Legislature unable to control the political executive on behalf of the people. As we have already seen, Parliament is ordinarily, merely an instrument for giving legal dress to the proposals of a party fortunate enough to have a clear majority. It is true that with an Upper House constituted like that in New South Wales (I do not think that hereditary houses or those elected upon a property qualification will long survive) Parliament may be able to prevent the enactment of arbitrary laws, and the promulgation of capricious regulations and ordinances, but it is little protection against the political executive's harassing an administrative agency, or interfering in internal administration and with personnel. Hence the Supreme Administrative Council which will import the "Rule of Law" into administrative affairs.

It may be that, at the inception of the scheme, it will be impossible to give to the decisions of such a council the paramountcy which attaches to those of ordinary judicial tribunals. It may be that all that can

be expected would be that before the political executive was allowed to disband or reorganize an agency, the views of the Supreme Administrative Council should be obtained. If, in the face of such a judgment, the political executive still persisted in its action, the public would have full knowledge of all the circumstances, and would know what to do. Such a public opinion would be very different from what it now is.¹⁰ It can now hardly escape from being *ex parte* for it depends upon the explanations of interested parties. It is inevitably *ex post facto*, and, after the body corporate has been wounded, it is both expensive and distressing to resort to the operation of rejecting a Government, at a subsequent election, as the only means of recovery from capricious experiments.

•(ii) *A Bureau of General Administration*.—In most States ~~a~~ beginning has been made with this type of agency, but the changed situation demands a fresh orientation to the problem.

There are, for example, Public Service Commissions with varying powers. Some have a limited jurisdiction over personnel; others have, in addition, a restricted supervision over departmental organization and methods. Here and there is a recognition of the advantage of using such an agency for revising Estimates of Expenditure and Income for the Cabinet, and for overlooking the disbursement of funds annually appropriated by Parliament. These things indicate the functions and powers which a Bureau of General Administration should possess, but they would be all-embracing instead of sectional, as at present.

¹⁰ I suggest that the public has an interest in the kind of administrative agencies and their functions which entitles it to state a case either to delay action by the political executive, or to force that executive to take action.

Stated in summary form, the Bureau would be responsible for (a) the complete control of personnel administration, both of the conventional governmental offices and of the newer agencies, such as Transport Boards and Government Banks. It would succeed to the patronage of the political executive, save that for the appointment of members of the Boards of Agencies, the head of the Bureau would be associated with the head of the Administrative Council in making recommendations to the Cabinet.

Personnel administration is a highly technical matter, and it is lamentable that we should for so long have remained content with inadequate standards. It is admitted that it is difficult to obtain an accurate measurement of administrative efficiency, and to devise tests and apply standards by which it can constantly be appraised. One reason for our retarded progress in this art may be found in the fact that most Public Service Commissioners are themselves products of the system they are controlling, and are unlikely to see any fault in the methods with which they were content, as departmental chiefs. It probably accounts for the opinions expressed in the last reports recently submitted in three Australian States. In each report the Commissioners complacently assert that the policy of in-breeding based upon a junior entrance examination, is ample to provide the ability needed for the future direction of public affairs! The report of the Commonwealth Public Service Board is a notable exception, and the Commission's recent determination to reserve to University graduates a proportion of vacancies, is a wise, if belated, recognition of public needs.

I have said that the Bureau should have all-inclusive

powers over personnel. This would remove many anomalies in recruitment standards, avoid much overlapping, and allow the several agencies to give their undivided attention to perfecting the quality of the services which they render to the public.

(b) The oversight of office organization, methods, and practices, is the second function. This has been so often recommended by Royal Commissions that it is unnecessary to dilate upon it here.¹⁷ But the Bureau should have paramount authority, and not the illusory powers now conceded in section 16 of the Commonwealth Public Service Act. Needless to say, this function would entail the employment of a body of inspectors, whose training and equipment should be ampler than that with which some Public Service Commissions are now satisfied.

Under office management, I include such matters as the organization of staffs, determination of standard practices, institution of costing systems, supervision of stores and equipment, approval to leases of offices for accommodating staffs (a matter in which Ministerial and departmental vagaries now involve the public in much wasteful expenditure), and insistence upon the need for departments to have adequate library facilities for the information of staffs.

(c) The supervision of the preparation of the Departmental Estimates of Expenditure, and the policing of the Budget. Although most Public Service Commissions are responsible for personnel, it is generally the practice of departments to make provision upon the annual estimates for staff and equipment without reference to the Commissions. The Commonwealth Public

¹⁷ Cf. especially the *Economies Commission Report*, Commonwealth Parliamentary Paper, 1919. Also *Reports of the Commonwealth Public Service Board*, 1923-34.

Accounts Committee condemned this policy as militating against economy. That Commissions, with their intimate knowledge of the internal organization of departments and their needs, would be of invaluable assistance to the Cabinet and the Treasurer in the initial preparation of the annual estimates, seems an elementary truth. As it is, they are rarely consulted by Cabinets. If they are, it is usually because of conditions of financial stress.

Again, once money has been voted by Parliament, there is little existing assurance that no more is spent than is needed. Here, the Bureau of General Administration might usefully supplement the work of the Auditor-General. That officer, of course, has a limited duty, which may be said to be to ensure the accuracy of the accounts, the integrity of officers, and the existence of legislative authority for all expenditure. There should be a further test of economy and efficiency, and this should be the duty of the Bureau of General Administration. Between the Bureau and the Auditor-General there should be a close liaison in pursuit of a common aim.

The Bureau should be regarded by Parliament as one of its most effective agencies for enabling it to maintain some oversight over the political executive and the administration. It should insist that the Bureau's certificate, covering the organizational layout necessary to implement any Government proposal, should accompany any Bill the Parliament is to consider. And the several Standing Committees of the House, especially that on Finance, should constantly consult the Bureau.

(d) As a branch of this Bureau, there should be included the Statistical and Intelligence Division

already outlined.¹⁸ Such association would enable the Bureau to have immediate access to data which it needs if Public Service management is to be more than a vague aspiration.

(e) Another division of the Bureau would be a Public Service Arbitrator, although that official would have an independent judicial status. So long as the arbitral determination of wages and conditions for private employees remains, the public cannot escape accepting the same principle for its servants. But it is highly obnoxious that the Public Service should be under the jurisdiction of different tribunals, and it is very desirable that it should have wages, salaries, and conditions determined by an authority which has had an intimate experience of Public Service personnel, practices, and traditions. It cannot be too often urged that the Public Service is *sui generis*, and much irritation and expense would be avoided if ordinary arbitration tribunals would desist from their efforts to relate Public Service awards to those made for persons in private employ.

Pending the appointment of a Public Service Arbitrator, it would be a valuable machinery reform if Public Service Commissions were constituted as the sole Crown Counsel and agency for appearing before the Arbitration Court, Conciliation Committees, and Wages Boards for the hearing of claims made by Government employees against the Crown.

IX

Throughout, I have assumed that existing agencies

¹⁸ Cf. *National Efficiency* (Victorian Railways Print, 1915), pp. 17-19, for proposals for an Intelligence Division, made by Professor R. F. Irvine.

would remain. There would still be Tariff Boards, Broadcasting Commissions, and Harbour Trusts. Some of these agencies are quasi-judicial bodies, others provide a service, or manage an enterprise. Their constitution, too, would vary. Some would consist of experts directly administering their agency; others would contain representatives employing a General-Manager. But the vexed problem of the manner in which these Boards might be constituted, endowed with official independence, and yet made answerable to public opinion seems to me to have been resolved by the machinery which I have suggested. For example, the relation of the political executive to a Tariff Board would be that, before the Government could alter the tariff, it would have to present to Parliament the considered opinion of the Tariff Board upon the proposal. On the other hand, the function of a Transport Commission is to supply an efficient transport system. If the Commission wished to raise fares, the Government or the public might approach the Supreme Administrative Council for an injunction restraining it from doing so until it had established its case. If, again, the political executive wished to reorganize the Broadcasting Commission, it would have to go to the same Council and plead its case, just as it now has to go to the Arbitration Court if it wishes to obtain a variation of an award affecting its employees.

It may be contended that, in endeavouring to secure official independence by curtailing the powers of the political executive, I have delivered the community into the hands of a gigantic bureaucracy. I admit the danger, but is there any alternative, short of acquiescing in the disturbance to social and economic life inevitably associated with the growing tendency of

political parties petulantly to spend their time undoing the work of their predecessors in office? Neither institutions nor popular liberties are preserved merely by protesting against attacks or encroachments upon them. They need positive safeguards. People are not rational, though we constantly overestimate their readiness to reason out abstract principles. They can, however, appreciate machinery, and they can be taught to value it both as an instrument round which their protests might collect, and through which their enthusiasms might find full play. The machinery suggested will at least enable the more thoughtful and vigilant people the better to appreciate the difference between actions based upon principle, and those taken on the ground of partisanship or for mere expediency.

*As for the dangers of bureaucracy, it is suggested that there would be ample protection in the following safeguards. Parliament would be strengthened by our proposals, in its relations both with the administration and the political executive. Through the Standing Committees it would gain a more intimate understanding than is now possible of the way in which things were going. Its criticisms, therefore, would be more pointed, and could not safely be ignored. Secondly, there would be an added stimulus from the Cabinet, for Ministers, relieved of many of the cares which now overweight them, and armed with data supplied by the Intelligence Division, would be able to devote themselves to the broader problems of statecraft, and thus afford a leadership which would reinvigorate all the processes of Government. Finally, there would be the systematic and persistent investigation by the Statistical and Intelligence Division, as well as by other agencies, whose reports could not fail

to educate public opinion. In other words, the public would have the protection of all those bodies whose primary duty would be the appraisal of processes, methods, and results, whereas it now has only the services of those whose energies are almost entirely sapped by the drudgery of keeping abreast of day-to-day details.

X

Any system is worth no more than its administration is worth, and, in the last resort, the quality and tone of the administration is dependent upon public opinion. But in an age of centralization, and in an atmosphere of crisis, the effective expression of public opinion is very difficult. It is all the more important to preserve the channels through which the individual can make his voice heard. The creation of Councils of Education, Boards of Health, Transport Advisory Councils, Agricultural Councils, Councils of Social Agencies, and the like, point the way to one channel through which public opinion may be made articulate. But, in addition, there should be a wise devolution of administrative functions upon the locality. The object should be to increase the citizen's sense of responsibility, and this can be done not merely by adding to the number of local services discharged in his area, but by using him as the agent of the central government for the administration of national services in that area. Local councils, for example, should be entrusted with the maintenance of all public buildings, with the oversight of social services, such as hospitals, and with the promotion of certain forms of educational endeavour. Furthermore, there is a fruitful field for

the energy of citizens in the work of voluntary agencies, which can be made centres for the cultivation of local pride. All these things will rescue the locality from the oblivion into which it is being thrust by the policy of centralization, and the individual from the impotence which he feels when confronted with the inexorable processes of officialdom.

DISCUSSION

Mr G. C. REMINGTON (Sydney): "Before we decide what kind of governmental machine we require, we should be clear what we want the machinery to do. Professor Leonard White, who is now a Commissioner of the United States Civil Service, said recently: 'Within broad limits, Governments, both here and abroad, are now attempting to manage the whole economic system, in the interests of individual security, rather than to supervise a small section, in the interests of free competition.' Entirely different machinery will be required to 'manage the whole economic system' from that required to 'supervise a small section in the interests of free competition'. There will always be a lack of decisiveness, and a lack of direction, in our attempts to overhaul the machinery of government until we have decided which of these two purposes we require the machinery to carry out. If we want machinery to manage the whole economic system, we shall need machinery capable of producing, distributing, and exchanging goods. If we wish to remain content with supervisory, or umpiring, machinery, then we shall have to decide to let free competition run its complete course. There is no point at which we can cry halt, no half-way house. We shall be forced back to child-labour conditions, perhaps to something like slavery.

"In actual fact, of course, Government administration has long since ceased to be a purely supervisory machine. It has, in some departments, become a managing machine. Now, if we are to entrust it with management, we must first of all train the community to look on our public servants, and to treat them in a very different way from that now current.

"We need an Economic Advisory Council, on similar lines to that set up in England in 1931, to carry out research, and with the right to publish all its recommendations and reports.

There should be a permanent Secretariat to the Cabinet, as suggested by the Haldane Committee. In the Public Service itself, an inspectorate of experts might be appointed. This body would act as a sort of 'flying squad', to enquire continually into the efficiency of various departments; to select young men of promise in the service, and train them in the work of various departments, so that they would eventually have first-hand knowledge of the whole administrative structure. I suggest, further, that it is absolutely necessary for public servants, approaching senior administrative positions, to be sent abroad for at least two years, and given an intensive training in the methods of other countries. In particular, I would recommend a study of what is being done, or attempted, in Russia, for that is where experiments are being tried in administrative practice, and that is where we can probably learn more than in any other country."

MR L. B. DAVIES (Melbourne) suggested that it was necessary to have closer touch between the governmental departments and, not merely Parliament, but the public itself. In his own profession, that of a patent attorney, endeavours had been made to influence the practice of the department. Their efforts had been appreciated, and they were frequently consulted by the department, and by Ministers, concerning future practice.

ANONYMOUS: "I do not think this country is suffering from the excessively strong Governments which Professor Bland fears. On the contrary, we are suffering from weak ones. Politicians start a policy, put it on the Statute Book, and as soon as difficulties are encountered, their impulse is to abandon the policy. The greatest evil at present is the undue dependence of Governments on ignorant public criticism. It is the demands of the average ignorant man which unduly limit the successful elaboration of policy—as our practical politicians realize only too well.

"I should like to raise a word of warning, concerning Professor Bland's proposal to constitute tribunals to sit upon and to correct the decisions of judicial and quasi-judicial administrative bodies. The appellate Courts in our ordinary legal system function successfully, only because they do not endeavour to correct decisions on questions of fact, made in the primary courts. The Appeal Court confines itself to questions of law. There is, in theory, and largely in practice, a body of law existing outside of, and independent of, both Courts, and the function of the Appellate Court is to scrutinize the rules which the primary Court has applied, and see if they are the right rules, in the circumstances. The situation is quite different in the administrative field. Here

there is no body of rules which an appellate tribunal can refer to, when asked to scrutinize the actions of lower administrative bodies. The administrative body itself has to create its own corpus of rules, as it goes along. It is the creator of the principles which it applies, and an appellate body would be in no better position than the original body.

"There is also a more general consideration to be brought against Professor Bland's proposals. He is still thinking in terms of legal and constitutional 'controls'. What we want to-day are synthetic bodies which will co-ordinate policies and bring specific activities together into something like a united plan. Contacts are inevitable, for instance, between the transport administration, the roads administration, and the Railway Commissioners. What we need is a body to synthesize the policies which are being developed by these authorities, rather than a mere adjudicating body, thinking in terms of jurisdictional rights rather than in terms of plan and purpose."

MR W. MACMAHON BALL (Melbourne): "No doubt the previous speakers imagine that their treatment of the problem of the machinery of government has been precise and realistic. To me their approach seems remote and academic. I believe that the attitude one adopts towards Parliamentary and administrative reform is ultimately determined by a deeper, underlying, political issue. It all depends on whether you start out with the intention of protecting the rights of the individual citizen against unjust encroachments of an administrative kind, or whether you are eager to devise a Parliamentary machine which will 'get things done'. More specifically, it depends upon whether you are primarily interested in maintaining existing property rights, or whether you wish to put through a programme which will bring about radical changes in these rights. I was very impressed in reading the Minutes of Evidence and the Report on 'The Procedure of the House of Commons' published last year, to notice that, in the evidence given by English Parliamentarians, the views which they adopted on Parliamentary reform depended almost entirely on the political party to which they belonged. Mr Baldwin and Mr Winston Churchill said that they could not really see what all the pother was about; they thought Parliament passed more legislation than it had a right to; and that, while there might be some minor ways in which procedure could be altered, no far-reaching reforms were desirable. On the other hand, men like Mr Herbert Morrison and Sir Stafford Cripps were very eager indeed for far-reaching Parliamentary reforms, because they felt that the existing limitations would prevent them from pushing

through the radical programmes they had in mind. Professor Bland did not allow for this underlying political division, which will prevent any substantial agreement upon the measures which he advocated.

"Moreover, Professor Bland's proposal that there should be a Supreme Administrative Council, glowering continually over the Executive, is likely to paralyse executive decisions. The main effect of Professor Bland's proposals would be to slow down legislation, and to paralyse the Executive. It might be described by Mr Lloyd Ross as a constitutional tactic of conservatism.

"I should like to link up this with our previous discussion. I said then that there was not a great deal of enthusiasm for democracy in Australia. Governments have been a little too apathetic about the actual conditions of the mass of the people. My primary interest in Parliamentary reform is to make Parliament into the kind of instrument that will enable it to produce, constitutionally and peacefully, without all the horror and violence of Fascist and Communist revolutions, the kind of changes which are essential if democracy is to be preserved. The whole stream of legislation must be directed to the end of greater social justice, and I mean by that, a very much greater approximation to economic equality than exists at present. A year ago we discussed economic planning. Twelve months ago people, on the whole, were fairly keen about economic planning. Since then, interest has very definitely died down. Yet, if our proposals for the reform of Parliamentary machinery are to be really fruitful, we must link them up with the discussions we had last year. Only then will we know what exactly we wish Parliament to do, and what machinery we shall require for the purpose."

MR. D. R. HALL (Sydney): "I thought Professor Bland overestimated the disposition of one Parliament to undo the work of its predecessor. The Opposition always condemns the legislation introduced by the Ministry, but it rarely undoes such legislation, once it attains office. It struck me that the first half of Professor Bland's paper about the establishment of committees was good, on the whole, but my feeling about the second half, as I listened to that elaborate scheme, was this—too much harness and not enough horse!"

PROFESSOR F. A. BLAND (in reply): "There were two main principles in the scheme which I outlined. The first was the strengthening of the Cabinet so that it could formulate and co-ordinate policy more effectively than it does at present. And the second was the strengthening of Parliament, so that it might be a real protection for the people against the Cabinet and the permanent officials. Too often Cabinets are handi-

capped because they contain men who just do not know that they do not know, and therefore cannot see any difficulties or dangers in their actions. A thought organization, such as I suggested, would provide both Ministers and Parliament with relevant facts and information, as well as some indication of possible results.

"Even if I accept Mr Hall's contention that Governments do not entirely reverse the policy of their predecessors, I suggest that the tendency is in that direction. But it is undeniable that it has made great strides in the field of administration. Boards and Commissions are regularly dismembered or dislocated to the detriment of efficiency. An outstanding example is the Western Lands Board in New South Wales, where taxpayers are now paying for three sets of members, two of which have been dismissed or replaced (with compensation) because they were unacceptable to the Government of the day.

"With regard to my administrative tribunals, the problem I wanted you to consider was how you could reconcile the demand for popular control with administrative efficiency. Can the community afford to extend the area of Government control, without first determining what are to be the relationships between statutory boards and the political executive? Government is a huge machine, and in that machine, Cabinet, Parliament, the Judiciary, and the Public Service have all to know the part they can play. None should usurp the functions of the other, for they are all engaged in the service of the public, and their main objective should be the preservation of our liberties rather than the mere running of a machine in the interests of the political executive."

STATE AGENCIES OF ADMINISTRATION IN VICTORIA

By F. R. E. MAULDON

ONE marked characteristic of post-war discussion of industrial problems has been concentration of attention upon organization and its *rationale*. Whatever the motivation of an industrial system, whatever its ultimately desirable purposes in wealth distribution and consumption, organization continues as the process of creating and integrating specialized activities directed towards the complete attainment of a given end. The modern problem of industrial organization is in great measure derived from the necessity, imposed by rapidly multiplying specialized units of activity, to integrate wisely into ever-enlarging units of industrial government. In this task those who plan and administer the upbuilding of a great-scale business enterprise find that they must depend for their guidance less upon *a priori* assumptions than upon reasoned inference from their own experience, as far as it has taken them in their own sphere, and upon that of fellow-pioneers in similar spheres.

A similar task, but of far greater magnitude, confronts the changing political occupants of executive office in the modern democratic State. The difficulties in the sphere of the State, considered as a vast enter-

prise, are,¹ of course, enhanced by many factors from which the private business, however large, may escape. This observation may be trite, but it touches a point of great significance; for whereas the pre-occupation of the permanent chief executives of a large business enterprise can be, and normally is, concerned with that continuous process of organization which largely determines policy, the main pre-occupation of comparatively short-lived Ministries is the implementing of policies to which existing organization, despite its own inherent requirements of integration and stability, must be bent and adjusted. No one will deny the priority of policy over organization, nor indeed the supremacy of public demand for change over the convenience of bureaucracy. These conflicts of priority, however, are not in question. The point is that the structural pattern of many-sided administration in a modern State should follow the logic of organization suited to ever-growing scale and more unified purpose.

During the post-war years increasing attention has been concentrated on the problem of the multiplication of agencies of administration and their proper integration in the field of government. The Haldane Report on the Machinery of Government in 1918¹ has since provided a basis for much discussion, though for far less action, in countries with an administrative structure on the British model. In the United States during the last twenty years there has come about a striking alteration in the framework of administration in Federal, State, and municipal government, mainly in the direction of central planning agencies, unified commands, comprehensive administrative pro-

¹ *Report of the Machinery of Government Committee, 1919, Cmd 9230.*

grammes, co-ordinating agencies and fiscal controls, where hitherto these had been either ineffective or non-existent. And in European countries the more recent political revolutions have made sudden irruptions into the traditional relationships, purposes and functions of administrative agencies on several planes of government, though with what results in terms of their operating efficiency it is difficult yet to determine.

As for Australia, *prima facie*, no far-reaching or dramatic reorganization of the structure of administrative agencies in Federal, State, and local government has been deliberately undertaken in the last two decades. Yet the multiplying of specialized agencies, the growth of long-existing services, and the expansion of governmental activities as a whole have been proceeding apace here as elsewhere. Whether or not the process of integration, the dove-tailing of services old and new into a whole, makes the work of government as rationally and as practically valuable as it might be, is a question to which, at this stage, a Conference such as this might usefully turn its thoughts.

In this paper, presented on behalf of the Victorian Regional Group of the Institute of Public Administration, some factual material and observations relative to the State of Victoria are offered as the basis of a discussion of the question. It is proposed briefly, with the aid of several classifying tables, to outline and comment upon some aspects of the structure, inter-relationships and operation of agencies of public control in Victoria. Attention will be directed to the kinds of State activity undertaken, the distribution of functions among administrative agencies, the nature and structure of non-departmental agencies, and the

relationships of the agencies to the central foci of control.

THE KINDS OF ACTIVITY UNDERTAKEN

To describe Victoria as a typical modern "Social Service State" is to strike one of the key-notes of this paper. The description suggests the direction in which expansion of the State's activities in general is tending. But to strike the key-note is not to reveal the variety of notes, the modulations and, indeed, the discords which make up its theme. The functions of a "Social Service State" are multiple, complex and not capable of simple description.

One of the important scientific functions of a study of Public Administration is the development of an adequate taxonomy. The older classification of functions into constituent and ministrant does not go far enough. The term constituent suggests the purely regulatory functions of policing and protection of rights. But much of the work of the modern State is regulatory in other senses—maintenance of standards of performance, ordering of economic activities otherwise rendered inefficient or oppressive by reason either of monopoly or wasteful competition, regulation of wages and working conditions, etc. "Constituent" and "regulatory" are terms which, together, broadly describe the work of underpinning and strengthening the structure of State activities.

If constituent is too narrow in itself, the word "ministrant" is too broad. It has hitherto been used as an omnibus term to describe that accretion of new activities which go beyond the few policing and judicial functions thought, in extreme liberal philosophy, to be alone proper to the State. If the term

is to be retained at all, it can perhaps best be confined to the description of long-established administrative services, such as the registration of land title and companies, care of estates of deceased persons, the statistical and actuarial services of the Government Statist, etc. It is suggested that with it be bracketed the term "social service" to cover services in education, health, insurance, relief, and general welfare, in other words, those kinds of administration requiring variability, adaptability, and contingent response to public opinion when it demands that the State move into spheres of "general welfare" service hitherto limited to private action. "Social work" in the private sphere is perhaps less satisfactorily defined in terms of the problems it handles, than in terms of that quality of effort to focus on the total life organization of those it seeks to help.² So, too, the "social service" rendered by the State is less satisfactorily defined by the concrete activities of particular State agencies than by the quality of enterprise in rendering direct service to the public in any administrative agency.

But to describe the activities of the modern State, on the one hand, as "constituent and regulatory" functions, and, on the other, as "ministrant and social service", is to neglect a middle group of functions, sufficiently distinguishable to warrant separate description. These are the "developmental and public utility" functions. To-day important even in the older countries, these are of almost paramount importance in countries like our own. State activity which is developmental is, of course, not necessarily properly to be described as the provision of a public utility, nor

² Hurlbutt, Mary E., "The Rise of Social Work", *Annals of the American Academy of Political and Social Science*, vol. 176, Nov., 1924.

a public utility in itself necessarily to be described as serving a developmental purpose. But in a growing community the two are very closely related and often indistinguishable in administrative practice, as exemplified in such agencies as a State Electricity Commission, a State Railways Administration, a State Rivers and Water Supply Commission, or a State Savings Bank.

THE DISTRIBUTION OF FUNCTIONS AMONG ADMINISTRATIVE AGENCIES IN VICTORIA

Tables I and II reveal in broad outline the distribution of functions among the agencies of public administration in Victoria.

The distribution of Ministerial functions and responsibilities calls for brief comment. Table I shows the present distribution, but there is no necessary element of continuity in the arrangement. Functions have been allocated *ad hoc* from time to time to Ministers, and re-allocations usually follow changes of government, with no apparent principle followed. The net effect of such unsystematic allocation in the long run is the accumulation of the anomalous groupings mentioned later in this paper. Convenience of particular Ministers or of administrative officers has frequently determined the detachment of administrative services, appropriate to one department or agency, and their attachment to another apparently less appropriate.

It has to be recognized, however, that at least the titular description of Ministerial portfolios in Victoria in general conforms to the principle laid down in the Haldane Machinery of Government Report (1918), namely, that the business of government should fall into main divisions of service, not of

classes of persons. The portfolios of Chief Secretary and Treasurer are perhaps exceptions. The former is nondescript, and, whatever historical and present justification there be for the collocation of the miscellaneous activities of the Chief Secretary's Department, each of them can at least theoretically be subsumed under a broad service title provided for in other portfolios. The term Treasurer, on the other hand, suggests a passivity of function which certainly does not properly reflect the facts. The title "Minister of Finance" would suggest the broader and controlling type of function actually performed by "The Treasurer" and his administrative officials. One step in the direction of this recognition is the recent change of official description of the Permanent Head from Under-Treasurer to Director of Finance.

In Victoria there has always existed, apart from constitutional restrictions, great reluctance to set up new Ministerial Departments and new portfolios of full Ministerial rank. This has had both its advantages and disadvantages from the public standpoint. Limitation of the size of high-salaried Ministries has made the "plums of office" luscious enough to induce a better competitive selection of Ministers than might otherwise have been the case, at lower cost to the public purse. On the other hand, the bracketing of two or more offices into the single responsibility of one man has not produced either a logical or practically effective division of labour. Two or more Ministries may be combined because of some affinity in their functions, as with Public Works and Mines. Professional qualifications in a Minister himself may bring the Attorney-Generalship or the Department of Health under his control, even though, for other reasons of

capacity, he may also have allocated to him other departments, such as the Chief Secretaryship, the Ministry of Health, or the Ministry of Transport. The several departments are recognized as involving quite unlike degrees of onerousness for a Minister, and their allocation would appear to be based partly on grounds of political expediency, and partly on grounds of personal capacity. It is usual in Victoria for the Premier's and Treasurer's offices to be in the control of one Minister.

The persistence of this traditional practice in allocating Ministerial functions is symptomatic of an inability to adjust our ideas of Ministerial responsibility to the growing requirements of administrative competence and discretion in the modern State. It is not the purpose of this paper to probe into the political implications of the doctrine of Ministerial responsibility. What can be stressed in passing, however, is the fact that our present system of combined offices necessarily produces a variety of unsatisfactory results. To the extent that a Minister, busy with his Parliamentary duties, seeks to extend his knowledge, influence and control downwards through the reticulatory system of two or more departments and their related agencies, with a view to becoming a thoroughly competent Minister, the more certainly he is heading for over-work and the passivity of a tired obstructionist. The more certainly, too, is he likely to defeat the purposes of efficient administration. He may, as an alternative, neglect one department because his preferences lie with the other. He may take lightly his duties in both. But, whatever the adaptation of the particular Minister, there is bound to arise, in the succession of Ministries over time, not only that

great diversity of formal relationships between administration and the Parliamentary executive referred to later in this paper, but real and changing relationships, of greater diversity, which defy all attempts at classification. At all events, these unsatisfactory results will persist so long as we continue with our present fashion of extending Ministerial scrutiny and control over a variety of details.

No apparent structural co-ordination has been derived from the practice of allocating Ministerial responsibilities in Victoria. Cabinet is nominally the body as a whole which should be dealing with questions of co-ordination of the State's activities. But expediency rather than conformity to rules of co-ordination appears to have dominated the practice of successive Cabinets. When two dominating personalities among Ministers come to loggerheads, or two Ministers reflect disagreement between departmental heads over questions of demarcation of functions, Cabinet patches up the problem. Cabinet, indeed, would prefer that a *modus vivendi* be reached somehow without reference of the nasty question to itself. From a fountain-head of expediency there can flow no consistent policy of functional distribution to either Ministers or the agencies of administration in their charge. Perhaps one step in the direction of better co-ordination at the source would be taken were there adopted the suggestion by Mr Bland³ that, whenever a measure is introduced into Parliament, there should be submitted an explanatory statement, including an estimate from the Public Service Commissioner of the probable cost of its administration and a recommen-

³ Bland, F. A.: *Overhauling the Machinery of Government*, *supra*.

dation as to the most appropriate location of its machinery in the administrative structure.

Leaving for the moment the question of purely Ministerial arrangements, let us briefly survey the array of agencies which do the administrative work of the State. An attempt is made in Table II to list these as completely and briefly as possible in terms of the broad classification of functions already discussed. Under each of the three broad headings—A, Constituent and Regulatory Functions, B, Developmental and Public Utility Functions, and C, Ministrant and Social Service Functions—are first grouped respectively the major Ministerial departments *per se* with the briefest summary of their relevant activities. Then follows an examination of sub-departments or offices, Commissions, Boards and other agencies sub-grouped by major type of function. This classificatory scheme is open to several objections,⁴ but is adequate for the purposes of this paper.

Summarizing the distribution of functions among major departments, we find:

- A. Constituent and Regulatory Functions performed by 10 Departments.
- B. Developmental and Public Utility Functions performed by 6 Departments.
- C. Ministrant and Social Service Functions performed by 9 Departments.

A. Constituent and Regulatory only		None.
A. Constituent and Regulatory	} Combined	Lands and Survey.
B. Developmental and Public Utility		Public Works.
		Agriculture.

⁴ The inclusion of such large agencies as the Railways Commissioners, State Electricity Commission, Forests Commission, etc., with minor agencies rather than with major departments, and neglect to summarize their activities, may, for instance, suggest a distorted view of the relative importance of administrative bodies.

A. Constituent and Regulatory	} Combined	{ Chief Secretary. Law. Health. Education.
B. Ministrant and Social Service		
B. Developmental and Public Utility	} Combined	None.
C. Ministrant and Social Service		
A. Constituent and Regulatory	} Combined	{ Treasurer. Mines. Labour. Public Works.
B. Developmental and Public Utility		
C. Ministrant and Social Service		

For the distribution of major types of function among agencies other than major departments, we arrive at the following summary:

- A. *Mainly* Constituent and Regulatory: 74 Agencies.
 - B. *Mainly* Developmental and Public Utility: 32 Agencies.
 - C. *Mainly* Ministrant and Social Service: 38 Agencies.
- (Types of Agency of which there are more than one body, e.g., Wages Boards, Waterworks, Trusts, etc., are counted as one Agency in the above summary.)

These summaries throw interesting light on the direction in which the tasks of a modern State are tending. The fact that every Victorian Department has some regulatory functions, but none is solely regulatory, suggests the implicit policy that departments rendering a specific class of service should generally carry the responsibility for enforcing public conformity to the Acts under which the service is rendered. What is true of major departments in this respect is substantially true of the non-departmental agencies. The second summary shows that *about half* the agencies set up in Victoria (apart from major departments) have purposes which are mainly regulatory, and *about half* have purposes which are mainly in the nature of direct service. Whether the practice

of uniting regulatory and direct service functions in the one agency is in every instance desirable, would seem to be conditioned by the manner in which performance of the former function colours the relation with the public sought in the latter. The danger lies in too close identification of the two functions in the same administrative officials. The maxim that officials whose task is to yield direct helpful service to the public should be divorced from those whose task is to extract the public's conformity to law and regulation may theoretically be good, but, if applied too rigidly in practice, would lead to wasteful and uncoordinated effort. The opposite danger, from which our administrative services have not been free, is to exercise regulatory functions unimaginatively, and to forget that the public should always have the assurance that regulations are merely a medium for proper administrative dealing with them, and not for serving merely administrative convenience.

It is possible to select a formidable list of some fifty-two agencies⁵ from the total classified in Table II,

⁵ These selected agencies are as follows:
 Agencies regulating professional and occupational standards (22). (Architects, Nurses, etc.)
 Agencies regulating the conditions of employment of their officers, including Public Service Commissioner (14). (Employees of Crown.)
 Children's Welfare Department. (Neglected Children.)
 Public Solicitor.. (Poor Persons' legal assistance.)
 Aborigines Protection Board. (Aborigines.)
 Trustees, Melbourne Sailors' Home. (Sailors.)
 Inebriates' Institution, Lara. (Inebriates.)
 Street Traders' Licences Board. (Hawkers, etc.)
 Farmers' Relief Board. (Farm debtors and their creditors.)
 Fruit Growers' Relief Committee. (Fruit Growers.)
 Wheat Growers' Relief Board. (Wheat Growers.)
 Mines Courts. (Mining lessees.)
 Mining Accident Relief Board. (Mine Workers.)
 Coal Miners' Accident Relief Board. (Coal Mine Workers.)
 Port Phillip Pilot Sick and Superannuation Board. (Pilots.)
 Police Superannuation Board. (Police.)
 State Superannuation Board. (Employees of Crown.)
 Children's Court. (Children.)

which exist primarily to serve certain classes of persons, not primarily to supply certain classes of services. This list, however, only superficially indicates an adherence to the principle of departmentalization rejected by the Haldane Machinery of Government Report. All the bodies listed are either sub-departments or branches of major departments, or subordinate agencies within major departments. Most of them carry out subdivisional duties belonging to a type of service provided by a major department. Major departments, in the main, are distinguished by type of service and not by classes of persons served. This leaves unsettled, of course, the question whether all the agencies so listed are located in or associated with the major department most appropriate to each.

Whilst the division of activities among major Ministerial Departments appears, in the main, to be logical, there none the less remain numerous logically unsatisfactory groupings, of subordinate agencies within departments, and a questionably logical separation of like types of service under different Ministerial oversight or control. There is no apparent set of principles underlying these logical defects, but there may be sufficiently good reasons in practice or expediency for them.

The inadequacy of logical collocation of activities appears to be most marked for the services of Education, Health, and Transport. There appears to have been some succumbing to the temptation to have omnibus departments, e.g. the Chief Secretary's and the Treasurer's. Even to have one is probably inconsistent with the principle that *every activity* of Government should be allocated to a department yielding a specific type of service. To have two omnibus

departments is to depart still further from this logical principle recommended by the Haldane Machinery of Government Report. There appears, indeed, to have been obvious neglect in Victoria of the further principle laid down in the Haldane Report, viz., "All decisions to concentrate functions in particular Departments should, subject to the main principle of allocation by services, be governed by the extent to which particular functions conduce to the primary end of that Department's administration."⁶

Both the Chief Secretary's Department and the Treasury claim to embrace within their constituent functions the collocation of services that cannot be delegated to other departments. What principle determines the distribution of such services between these two departments? If agencies disbursing Government or trust funds are the type properly to be allocated to the Treasurer, why the Insurance Commissioner and the Licences Reduction Board under the Chief Secretary? If all other miscellaneous services should be allocated to the Chief Secretary, why the Government Printer and the control of real estate agents and auctioneers under the Treasurer? No logical explanation for these deviations from the supposed principle is forthcoming. The association of the agency with the particular department is to be accounted for, probably, by the historic "accident" of the Chief Secretary or the Treasurer being the Minister most closely concerned with public representations for legislation to set up the agency in the first instance. A similar and even less logically satisfactory anomaly is found with the Dental Board, the Medical Board, and the Pharmacy under the Chief

⁶ Op. cit., p. 9.

Secretary, but the Nurses', Masseurs', Midwives', and Cinematographers' Registration Boards under the Minister of Public Health. The Department of Mental Hygiene (formerly Lunacy Department) and the Inebriates' Home, Lara, existed as agencies under the Chief Secretary long before the establishment of the Commission of Public Health, under the Minister of Public Health. They still remain with the Chief Secretary. Their more logical association appears to be with the Minister of Public Health. Again, probably on some common ground assumed to relate the provision of welfare services to neglected children with provision of welfare services to dipsomaniacs, the Children's Welfare Department, and the Trarancore Special School for subnormal children are among the miscellaneous agencies grouped under the Chief Secretary, though the general care of children's health and education is the responsibility of the Minister of Public Instruction.

What principle, we may ask, explains the fact that the State Accident Insurance Office (administering the Workers' Compensation Act) is under the Chief Secretary, but two smaller bodies of similar service, the Miners' Accident Relief Board and the Coal Miners' Accident Relief Board function under the Minister for Mines? No principle at all, but just the expediency of allowing the latter bodies, which existed before the passing of the Workers' Compensation Act, to continue their independent existence. A similar situation is found with a State Superannuation Board under Treasury supervision for all officers of the Crown subject to the Public Service Act, as well as for Railway Officers, but two separate Superannuation Boards, one (under Treasury supervision) for Port Phillip pilots, and the other (under the Chief Secre-

tary) for the police. In Victoria about half of the major departments and a considerable number of sub-departmental and non-departmental agencies are concerned with the regulation or development of, as well as ministrant service to, the primary industries. Provision of this kind preponderates over the provision for trade and manufacturing scattered through various agencies. The question arises whether there are enough of the latter activities left to the State, after provision in Commonwealth activities, to warrant their collocation in a single State department. Conceivably, at least, such a department could take over some of the regulatory and ministrant functions of the Department of Labour (including collection of statistics, reports on industry, etc., *much expanded*), companies registration by the Registrar-General (with enlargement of statistics, especially of winding-up of companies, etc.), registration of patents and trade marks, the issue of licences (embracing liquor and street traders, and racecourse licences), regulation of food standards (unless more suitable for Public Health Department), registration of Co-operative Societies and (in respect of their trading activities) of Friendly Societies, control of Weights and Measures (taking over from Weights and Measures Unions), and the general oversight of the administration of all statutes, company and mercantile law dealing with trade and industry, in respect of ensuring conformity thereto, except enforcement of wages boards, shops and factories, and Sunday legislation. The department might undertake investigations into particular industries with reference, e.g., to greater uniformity in costing and other accounting procedure, new technical methods based on practice elsewhere, marketing possibilities in Victoria and in other States, and statis-

tical work in conjunction with the Government Statist. A reorganization and expansion of administrative work along these lines would be justified, of course, only upon a convincing demonstration of net gains to be achieved, and only if the expansion implied did not incur mere duplication of services already given by the Commonwealth Department of Commerce, the Tariff Board, and the Commonwealth Law Department.

These existing anomalies by no means exhaust the number that could be cited, nor are they to be taken as evidence of a serious want of logic in the distribution of functions throughout the administrative machine as a whole. It is easy, in a critical survey of human institutions to succumb to what Professor Charles Beard calls "the small man's passion for carrying theories to a logical conclusion". It is easy to expect too much rationality to flow into the administrative structure from the irrational forces of politics. Yet we may regard the anomalies cited as remediable defects in the work of the State. Together with other inconsistencies they are to be taken as evidence of a lack of conviction that adherence to definite principles in organization has great significance in the organic development of the State.

Even the terminology we employ in naming many of our administrative agencies betrays this unconcern for consistency. It is certainly difficult to discover any regard for consistency in the use of the terms Commission, Commissioner, Board, Council, Committee, Trust, and Trustees (see Table III). This is all the more surprising when it is remembered that in the *actual work* of all governmental agencies consistency is given, and indeed must be given, a place of paramount importance. It is difficult, however, to

discover the criteria which have guided the choice of the inconsistent terms applied to agencies themselves in Victoria.

Thus (i) the nature of the service rendered by the agencies has apparently not provided a criterion. Examples:

Apprenticeship Commission	} Both regulatory.
Transport Regulation Board	
State Rivers and Water Supply Commission	} Both providing one type of utility.
Melbourne and Metropolitan Board of Works	
Railways Classification Board	
Committee of Classifiers, Secondary Schools	} Both classifying officers.
Melbourne Harbour Trust	
Warrnambool Harbour Board	} Both provide same type of developmental service.
Mildura College Lands Board	
Trafalgar Meadows Drainage Trust	} No essential difference in respect of control of property.
Shrine of Remembrance Trustees	
Management Committees, Parks and Reserves	

(ii) Size of membership of agencies has apparently not provided a criterion. Examples:

	Term Used.	Agency.	No. of Members.
Small Membership.	Commission.	Chief Commissioner of Police	1
		Public Service Commissioner	1
		Insurance Commissioner	1
	Board.	Indeterminate Sentences Board	3
		Farmers' Relief Board	3
		Milk Board	3
	Council.	Technical Schools	6
		Fruit Growers' Relief Committee	3
	Trust.	Geelong Harbour Trust	3
	Trustees.	Parks and Reserves	3 to 5

Large Membership.	Commission. Board.	Commission of Public Health	7
		Marine Board	10
	Council.	Melbourne and Metropolitan Board of Works	40
		Charities Board	14
		Council of Public Education	20
		University Council	31
	Committee.	Centenary Celebrations Council	21
		Motor Omnibus Advisory Committee	5
	Trust.	Trafalgar Meadows Drain- age Trust	20
	Trustees.	Shrine of Remembrance ..	10
		Public Library, Museums and National Gallery	18

(iii) Size of staff controlled by agencies has apparently not provided a criterion. Examples:

	<i>Term Used.</i>	<i>Agency.</i>	<i>Total Staff.</i>
Small Staff.	Commission.	Apprenticeship Commis- sion	3
		Insurance Commissioner	14
	Board.	Aborigines Protection Board: No independent staff.	
		Licences Reduction Board	5
		Dried Fruits Board .. .	7
Large Staff.	Commission.	State Savings Bank ..	1,389
		State Electricity Commis- sion	1,399
		Chief Commissioner of Police	2,320
	Board.	Railways Commissioners	21,255
		Melbourne and Metropoli- tan Board of Works ..	1,596
		Melbourne and Metropoli- tan Tramways Board ..	4,442

(iv) Non-representation or representation of interests has apparently not provided a criterion. Examples (see Table IV for this distinction):

	<i>Term Used.</i>	<i>Agency.</i>
Non-Representative of Interests.	Commission.	Railways Commissioners. State Electricity Commission. State Rivers and Water Supply Commission.
	Board.	Country Roads Board. Licences Reduction Board. Milk Board.
Representative of Interests.	Commission.	Apprenticeship Commission. Commission of Public Health.
	Board.	Transport Regulation Board. Dairy Produce Board. Metropolitan Fire Brigades Board. Charities Board.

The designation Commissioner is an excellent example of the assorted uses to which a term may come to be put when usage condones inconsistency. Two Ministers are called Commissioners—the Commissioner of Crown Lands and Survey, and the Commissioner for Public Works. These are designations carried over from the period preceding responsible self-government in Victoria, when the occupants of these offices were public officials (comparable to the Chief Commissioner of Police to-day) who might, or might not, be members of the Executive Council and of the Legislative Council. Four agencies have a single Commissioner—the Public Service Commissioner, the Chief Commissioner of Police (this title was in use in pre-self-government days), the Taxation Commissioner and the Insurance Commissioner. The personnel of the Melbourne and Geelong Harbour Trusts are called Commissioners. Members of several Commissions are addressed as Commissioners (e.g. Railways), but members of others are not so addressed (e.g. State Rivers and Water Supply). Two water-works authorities are described as Commissions—the

Ballarat Water Commission and the Clunys Water Commission—all others as Waterworks Trusts or Water Supply Districts; yet in practically *all* cases the members of the Water Supply authority are known as Commissioners.

Doubtless we should blame the English language itself for the manner in which it has facilitated the growth of all these anomalies in our terminology, and it may appear to be making much of little even to enumerate them as has been done. As against this tolerant view it may be urged that a useful first step in the better ordering of our administrative arrangements would be a re-designation of some of the agencies themselves. The titular description of the major department in Victoria, with the exception of the Treasury and the Chief Secretary's Department, already conforms to the requirements of principle, and some improvement has already been achieved in the designation of their permanent heads.⁷

The inconsistencies of terminology in non-departmental agencies are too patent to be satisfactory. Challenge without counsel, however, is not enough. The following suggestions are submitted:

(i) The term *Commission* should be restricted to agencies commissioned, with the maximum of independence, to undertake important developmental, public utility, and social service functions only.

(ii) The term *Board* should be restricted to

⁷ Permanent Heads of Departments are known as.
 Director: Director of Finance, Director of Education, Director of Agriculture.
 Secretary: Secretary to Law Department, Secretary for Lands, Secretary for Public Works, Secretary for Mines, Secretary for Labour.
 Chairman: Chairman, Commission of Public Health.
 Under-Secretary: Under-Secretary, Chief Secretary's Department.

agencies exercising considerable powers, whose functions are primarily constituent and regulatory.

(iii) The term *Council* should be restricted to large agencies (representing various interests) entrusted with the legislative and policy-determining functions of important institutions (e.g. University, large technical schools), or with formulation of State policy with respect to important types of social service (e.g. education, health, economic development).

(iv) The term *Committee* should be restricted to all minor agencies, irrespective of function.

(v) The term *Trust* should be eliminated and replaced by the term *Trustees*, and the latter restricted to agencies whose prime function is to be vested with the administration of funds and real property.

(vi) The term *Bureau* might be used to replace the term *Office* in describing a self-contained unit within a major department (as with Bureau of Mines, Bureau of Standards, etc., in U.S.A. practice).

THE STRUCTURE OF NON-DEPARTMENTAL AGENCIES

Of the more important Commissions, Boards, Councils, etc., selected for listing in Table IV, 13 are non-representative and 19 representative of interests in the personnel of their membership. This raises important and still unresolved issues in modern democratic government. Organization on a representative basis may reflect either a principle or mere expediency. The principle may be stated somewhat as follows: The administration of a law should be kept reasonably flexible and relevant to changing needs and conditions by frequent reference to, and conference and consultation with, sections or individuals interested or affected. The expediency, on the other hand, may be stated

somewhat in these terms: If interests affected are likely to be politically powerful, clamant and mutually antagonistic, it is less embarrassing to Cabinet or a particular Minister to have pressures canalized through representatives of the interests on the agency, than through Cabinet or the Minister.

It is almost certain that the functional needs of the agency are likely to be overlooked in following the political expediency. Even if the exigencies of democratic government lead to an increase of agencies on the representative basis, more particularly in obedience to expediency, and even if this may be difficult to avoid, there is the strong probability that increase in the complexity of the functions to be performed by an agency will make its representative structure less and less workable. From the purely administrative side, efficiency of operation will be guaranteed only by the representative personnel on the agency learning to repose more and more discretion and responsibility in the expert officers, to make policy conformable to the knowledge and experience of the latter, and to act as protective buffers between the interests represented and the officers responsible for administering the services of the agency impartially.

Victoria appears to be surprisingly free from the mixed type of agency which combines a number of representatives of interests with a *substantial* number of technical experts. This type of agency elsewhere has generally proved unworkable (e.g. the Port of London Authority before its reconstitution; the Canberra City Commission before it was dissolved and replaced by a purely departmental administration). Where in Victorian representative agencies the chairman, generally appointed to represent the State or

Department of State, is a technical expert, he is to be regarded rather as a compensation for the inexperience or other deficiencies of the representatives of interests. The practice of having one expert as the chairman probably ensures greater workability, and more willing recognition of the requirements of *expertise* on the part of representatives, than would be the case where a number of experts pitted their voting strength, or combined opinion, against those of the representatives.

No attempt, however, appears to be made to establish before appointment the standards required for the personnel, either for non-representative or representative agencies. The practice of providing for representation of interests without providing that representatives shall have specified qualifications gives no guarantee of good performance. The tasks are not likely to be simple for a mere mouthpiece of interests. Nor does the practice of appointing to non-representative agencies without prior establishment of qualifications give a guarantee of good performance. If good performance does follow in either case, it is a matter of good fortune for the State rather than a reflection of sound principle followed by Cabinet.

In the non-representative agencies recruitment of their membership is very generally from the Public Service, in some few instances from the Local Government services, and occasionally (where vacancies are filled) from the staff of the agency itself. The nature of the representative agencies leads predominantly to recruitment from outside the Public Service, although in 9 or 10 of the 19 representative agencies listed in Table IV either the Chairman, the Treasurer, or as

many as three members are recruited from Public Service staffs.

The period for which members of both types of agency are appointed or elected ranges from one year to life. Excluding life memberships and membership during the pleasure of the Governor-in-Council, the modal period appears to be five years. This period may be either too short or too long. It may be too short to attract the best type of individual or to ensure continuity of a developing policy, but it may be too long if bad judgment was shown by Cabinet Minister or Parliament in the original selection. Again, the question of patronage comes in.

The longer the period the less frequent the opportunity for political patronage in appointments. Patronage of this kind does not appear to be a growing tendency in Victoria. On the other hand, the fact that about two-thirds of the important Commissions, Boards, etc., listed, (see Table V) are either wholly or partially independent of the Public Service Commissioner in making staff appointments (five important public utility bodies are not even subject to the Minister's or Governor-in-Council's veto), provides room for favouritism, nepotism, and disparity in treatment of Crown employees which, it was hoped, would become less and less possible after the passing of the Public Service Act of 1883.

The remuneration of members of agencies ranges from nothing at all (purely voluntary service), through part-time payments of so much per day or a retaining salary of from £60 to £500 per annum, to £5,000 per annum (Chief Commissioner of Railways). Only two individuals receive over £1,750 per annum—the Chief Commissioner of Railways (£5,000) and the

Chairman of the State Electricity Commission (£2,100). Full-time remuneration for others ranges from £1,000 to £1,750 per annum. (These are nominal—subject to cuts temporarily under the Financial Emergency Acts.) This normal range of £1,000 to £1,750 per annum is probably considerably lower than the range paid for comparable responsibilities in the field of large-scale private business. It would appear that whilst Victoria has never developed a First Division in the administrative services identical with the First Division in the British Civil Service, in actual fact this has been achieved, partly by the emergence of able permanent heads in the major departments and some of the sub-departments and offices, and partly by recruitment for non-departmental agencies, from professional classes outside the Public Service.

RELATIONS OF AGENCIES WITH THE CENTRAL FOCI OF CONTROL

In Table V an attempt is made to set out briefly the formal relations of the important Commissions, Boards, etc., to the Public Service Commissioner, the Ministers, the Governor-in-Council (substantially the Cabinet), and Parliament. The fact of outstanding interest in the table is the wide diversity of these relationships. The differing degrees of independence exercisable and exercised by agencies in respect of their staffing, their control of expenditure, their routine administration, and their formulation of policy mirror the variety of pressures of public opinion, political compromise, and administrative necessity which have combined over time to shape the present structure. The variety in itself is not necessarily either to be condemned or to be condoned. What has

been unavoidable is neither wholly virtuous nor wholly vicious, nor does it follow that the process of compromise may not be made somewhat more amenable to future guidance, grounded in an appreciation of what we ought more logically to achieve. Ends to be achieved, however, may be incompatible with one another. Compromise in such case must continue to be inevitable, and the problem becomes one of attaining the best compromise itself as a means to ends held steadily in view.

One end to be sought is the effective maintenance of responsiveness of official action to the mandates of public opinion. Another end, not necessarily compatible with this, is freedom of official action to carry through a far-sighted policy consistently and efficiently. The second of these two ends is coming to be recognized; in fact, if not in the assumptions of democratic theory, to be more important than the first. The growth of quasi-independent agencies, which relieve Ministers of large areas of responsibility for official action, is indicative of this. The growing inability of some Ministers to keep track of detail action in large departments conduces to the same result. In general, these developments contribute to better administration. Yet Ministerial control and responsibility are still required. The solution lies probably in the direction suggested by Mr Bland, namely, the development of a Cabinet structure with a few senior Ministers, each responsible for a general macroscopic oversight of several large areas of the administrative field and not required to do more than to shape policy broadly, with a larger number of Parliamentary Under-Secretaries, exercising no powers of veto but serving as the

liaison between the executive officials and the senior Ministers.

At present no clear-cut principle appears to determine what should be the degree of the Minister's responsibility to Parliament for the agency under his general oversight, nor what should be the degree of his control over the agency. The actual relationships between Minister and official are indeed variable, and may change from time to time according to the relative strength in personality or character of the Minister, on the one hand, and the permanent head or directing personnel of the agency, on the other. In practice, therefore, we may find formulation of policy flowing either up or down—up from the personnel of the agency to the Minister, or down from the Minister to the personnel of the agency. The upward flow may be discouraged by a Minister jealous of his prerogatives, and the downward flow obstructed by the complex tasks, the technical necessities, or the established procedures of the administration.

The foregoing survey indicates in some measure not only that Victoria to-day works within an administrative framework in which there are crystallizations of the expediencies of political situations of the past, but also that our ideas as to what constitutes the most effective framework for the present and future are neither clear nor fixed. The hope of the future, indeed, may be found in the flux of the present. Given an increase of self-consciousness concerning the ends we wish to pursue in government, and the inherent necessities which are implied in the organization needed for those ends, we should not find the task of giving better shape to our administrative machinery by any means insuperable.

I

VICTORIA

DISTRIBUTION OF MINISTERIAL OFFICES, 1934-35

MINISTERS WITH THREE OFFICES

- The Hon. Sir Stanley Seymour Argyle, K.B.E., M.R.C.S.,
M.L.A., Premier;
Treasurer; and
Minister of Public Health (without salary).
- The Hon. John Percy Jones, M.L.C.,
Commissioner of Public Works;
Minister in Charge of Immigration (without salary);
Minister of Mines (without salary).
- The Hon. Wilfrid Selwyn Kent Hughes, M.V.O., M.C., M.L.A.,
Minister of Transport;
Minister of Labour (without salary);
Minister for Sustenance (without salary).

MINISTERS WITH TWO OFFICES

- The Hon. Albert Arthur Dunstan, M.L.A.,
Commissioner of Crown Lands and Survey; and
Minister of Forests (without salary).
- The Hon. Ian Macfarlan, K.C., M.L.A.,
Chief Secretary; and
Attorney-General and Solicitor-General (without salary).
- The Hon. George Louis Goudie, M.L.C.,
Minister of Water Supply; and
Minister in Charge of Electrical Undertakings (without salary).

MINISTERS WITH ONE OFFICE

- The Hon. John Allan, M.L.A.,
Minister of Agriculture.
- The Hon. John Warburton Pennington, C.B.E., M.L.A., Minister of Public Instruction.

HONORARY MINISTERS

- The Hon. Alfred Elliott Chandler, M.L.C. (unattached).
- Colonel the Hon. Harold Edward Cohen, C.M.G., C.B.E.,
D.S.O., V.D., M.L.C. (Assistant Minister for Railways).
- The Hon. Dr Clive Shields, M.B., M.L.A. (Assistant Minister for Sustenance).
- The Hon. Thomas Karran Maltby, M.L.A. (Secretary to Cabinet).

II

FUNCTIONAL CLASSIFICATION OF ALL ADMINISTRATIVE
AGENCIES

A. CONSTITUENT AND REGULATORY FUNCTIONS

B. DEVELOPMENTAL AND PUBLIC UTILITY FUNCTIONS

C. MINISTRANT AND SOCIAL SERVICE FUNCTIONS

A. CONSTITUENT AND REGULATORY

MAJOR MINISTERIAL DEPARTMENTS PER SE

Department of the *Chief Secretary*

Minister: The Chief Secretary.

Permanent Head: The Under-Secretary.

- (i) Collocation of "all Governmental activities which cannot be directly associated with the work of other Departments".
- (ii) General oversight over some 18 Branches with mixed functions to ensure the uniform application of the policy of the Government, the adoption of uniform practices throughout the Department.
- (iii) Serving as the channel to the Chief Secretary as responsible Minister for numerous statutory Boards with mixed functions (see classification below). •

Department of the *Treasurer*

Minister: The Premier and Treasurer.

Permanent Head: The Director of Finance.

- (i) Public services that "cannot be delegated to other departments".
- (ii) Securing Parliamentary control over Governmental expenditure and supervision of departmental expenditure.
- (iii) Collection of the main heads of direct taxation.
- (iv) Administration of the Office of the Agent-General for Victoria in London.
- (v) Purchase of all departmental stores and equipment, and control of Government printing.
- (vi) Ensuring conformity of real estate agents and auctioneers to certain statutes.
- (vii) Liaison services to departments through Premier.

Department of *Education*

Minister: Minister of Public Instruction.

Permanent Head: The Director of Education.

- (i) Enforcement of provisions for compulsory education of children of school age, and for prevention of employment of such children during school hours.
- (ii) Registration of teachers and schools not under the Department (through the Department's representation on the Council of Public Education).

Department of *Mines*

Minister: Minister for Mines.

Permanent Head: The Secretary.

- (i) Inspection of mines and quarries to ensure safe working.
- (ii) Inspection of boilers under the Mines and Boiler Inspection Acts.
- (iii) Administration of the Mines Act in regard to leases, licences, and other titles in connection with mining on Crown and private lands.
- (iv) Administration of the Gold Buyers Act.

Department of *Public Health*

Minister: Minister for Health.

Permanent Head: Chairman, Commission of Public Health.

- (i) Preparation of regulations under the Health Act for submission to Governor-in-Council.
- (ii) Administration of the Cemeteries Act.
- (iii) In case of emergency exercise and performance of the duties of a Council.
- (iv) Enforcement of public conformity to Acts and Regulations (Health Act, Cemeteries Act, Masseurs Act, Nurses Act, Midwives Act, Venereal Diseases Act).

Department of *Agriculture*

Minister: Minister for Agriculture.

Permanent Head: The Director of Agriculture.

- (i) Regulatory functions under various Acts, both State and Commonwealth, covering a wide range of activities designed to facilitate trade, to improve the economic status of the farmer, and to safeguard the health of the community. Specific regulatory measures include issuance of licences to dairy farmers,

dairymen, and farm produce agents; inspection of dairy farms, dairies, milk depots, stock, saleyards, butter factories, orchards; quarantining of diseased imported plants and fruits; prohibition of production of milk for sale from diseased cows and of sale of diseased fruit; enforcement of sheep dipping and eradication of disease from apiaries; registration of fertilizers; institution of prosecutions.

- (ii) Administration of a voluntary system of inspection of agricultural produce intended for interstate and overseas trade, and issuance of certificates in respect to quality and freedom from disease.

Department of Labour

Minister: Minister of Labour.

Permanent Head: The Secretary for Labour.

- (i) General administration of the Factories and Shops Act, the Servants Registry Offices Act, the Lift Regulations Act, the Footwear Regulation Act, and the Sundays Act.
- (ii) Prosecutions for breaches of these Acts.

Department of Law

Minister: Attorney-General and Solicitor-General.

Permanent Head: The Secretary.

- (i) Administration of Justice (Courts and Offices incidental thereto).
- (ii) Control of litigious matters on behalf of the Crown and its instrumentalities.
- (iii) Legal advice to and preparation of legal documents for the various Departments of Government, Boards, Commissions, etc.
- (iv) Drafting of legislation.
- (v) Execution of certain writs and sentences (Sheriff).
- (vi) Enforcement of penalties imposed as a consequence of action taken by other departments, or initiation of proceedings by the Law Department itself.

SUB-DEPARTMENTS OR OFFICES, COMMISSIONS, BOARDS, AND OTHER AGENCIES

AGENCY AND MAJOR TYPE OF FUNCTION	CONTROLLING OR RESPONSIBLE MINISTER
(a) <i>Maintenance of Justice, Law, and Order.</i>	

Supreme Court	Attorney-General.
County Courts	Attorney-General.
Courts of General Sessions	Attorney-General.
Courts of Petty Sessions	Attorney-General.
Police Courts	Attorney-General.
Children's Court	Attorney-General.
Electoral Revision Court	Attorney-General.
Disputed Returns Court	Attorney-General.
Marine Inquiry Court	Commissioner for Public Works.
Mines Courts	Attorney-General.
Indeterminate Sentences Board	Chief Secretary.
Chief Commissioner of Police	Chief Secretary.
Penal and Gaols Department	Chief Secretary.

(b) *Collection of Taxes and Duties.*

Taxation Department	Treasurer.
Stamp Duties Office	Treasurer.

(c) *Regulation of Economic Activities.*

Dairy Produce Board (Advisory)	Minister for Agri- culture.
Dairy Products Board	Minister for Agri- culture.
Dried Fruits Board	Minister for Agri- culture.
Milk Board	Minister for Agri- culture.

Licences Reduction Board and Licensing
Court

Licences Reduction Board and Licensing Court	Chief Secretary.
Racecourse Licences Board	Chief Secretary.
Street Traders' Licences Board	Chief Secretary.
Transport Regulation Board	Minister of Trans- port.

Motor Omnibus Advisory Committee	Commissioner for Public Works.
Explosives Department	Chief Secretary.
Censor of Films	Chief Secretary.
Marine Board (for survey of ships)	Commissioner for Public Works.
Food Standards Committee	Minister for Health.

(d) *Regulation of Professional and Occu-
pational Standards.*

Architects' Registration Board	Commissioner for Public Works.
Dental Board	Chief Secretary.
Marine Board (for Pilot's exemption certificate)	Commissioner for Public Works.

Masseurs' Registration Board	Minister for Health.
Medical Board	Chief Secretary.
Nurses' Registration Board	Minister for Health.
Midwives' Registration Board	Minister for Health.
Pharmacy Board	Chief Secretary.
Veterinary Board	Minister for Agriculture.
Companies Auditors' Board	Attorney-General.
Municipal Auditors' Board	Commissioner for Public Works.
Municipal Clerks' Board	Commissioner for Public Works.
Municipal Surveyors' Board	Commissioner for Public Works.
Coal Mine Managers' Board	Minister for Mines.
Metalliferous Mine Managers' Board ..	Minister for Mines.
Mining Surveyors' Board	Minister for Mines.
Land Surveyors' Board	Commissioner of Crown Lands and Survey.
Engineers of Water Supply Board	Minister of Water Supply.
Examination of Mining Engine Drivers' Board	Minister for Mines.
Examination of Engine Drivers' Board (Factory Engine Drivers and Boiler Attendants)	Minister for Mines.
Cinematographers' Registration Board ..	Minister for Health.
Plumbers' Registration Board	Minister for Health.

(e) *Regulation of Employment and Wages.*

Apprenticeship Commission	Minister of Labour.
Wages Board (181)	Minister of Labour.
Industrial Appeals Court	Minister of Labour.
State Coal Mine Industrial Tribunal ..	Minister of Transport.

(f) *Regulation of Internal Administration.*

Executive Council and Governor's Office.	Chief Secretary.
Premier's Office	Premier and Treasurer.
Auditor-General	Parliament. (Chief Secretary with respect to staff and office expenditure.)

Public Service Commissioner	Chief Secretary.
Shorthand Writers' Office	Chief Secretary.
Tender Board	Treasurer.
Police Commendatory Entry Board ..	Chief Secretary.
Police Medical Board	Chief Secretary.
Police Practical Examination Board ..	Chief Secretary.
Police Theoretical Examination Board..	Chief Secretary.
Police Promotions Board	Chief Secretary.
Police Appeal Board	Chief Secretary.
Railways Selectors' Board	Minister of Trans- port.
Railways Staff Board	Minister of Trans- port.
Railways Discipline Board	Minister of Trans- port.
Railways Classification Board	Minister of Trans- port.
Tramway Appeal Board	Commissioner for Public Works.
Classification Committee (Secondary Schools)	Minister of Public Instruction.
Classification Committee (Primary Schools)	Minister of Public Instruction.

B. DEVELOPMENTAL AND PUBLIC UTILITY

MAJOR MINISTERIAL DEPARTMENTS PER SE

Department of the *Treasurer*

Minister: The Premier and Treasurer.

Permanent Head: The Director of Finance.

- (1) Publicity activities of the Agent-General in London.

Department of *Lands and Survey*

Minister: Commissioner of Crown Lands and Survey.

Permanent Head: The Secretary for Lands.

- (i) Survey and classification of Crown Lands and the making of these available for agricultural and pastoral purposes, by means of Land Classification Boards.
- (ii) Re-purchase and sub-division of alienated lands in granting advances to occupiers of these and Crown Lands, through the Closer Settlement Commission.
- (iii) Opening up and development of tourist resorts, through the Tourist Resorts Committee.
- (iv) Ensuring freedom of country from proclaimed vermin (rabbits, hares, dingoes, wild dogs, dogs run wild, wombats, foxes, sparrows, starlings, and wedge-

tailed eagles) and noxious weeds (93 varieties proclaimed), through work of Department's inspectors.

Department of *Public Works*

Minister: Commissioner for Public Works.

Permanent Head: The Secretary.

- (i) Provision of architectural, marine and mechanical engineering services for the State Departments (except where provided for under separate commissions).
- (ii) Erection and maintenance of roads, bridges, piers, buoys, beacons, dredging operations, and harbour works generally (except where provided for by separate Trusts), schools, police stations, and other public buildings.
- (iii) Control of Pentridge Gaol Wire-netting Factory.

Department of *Mines*

Minister: Minister for Mines.

Permanent Head: The Secretary.

- (i) Geological surveys, assays, assistance and advice to the mining public with plans, reports, museums, library, and laboratory.
- (ii) Provision of State crushing batteries (22) for prospectors and others.
- (iii) Compilation of statistics in relation to mineral production.

Department of *Agriculture*

Minister: Minister for Agriculture.

Permanent Head: The Director of Agriculture.

- (i) Experimental work in every branch of the agricultural industry, as well as in control of plant, fungus, and animal diseases and insect pests, at the Research Farms of Werribee, Rutherglen, and Walpeup, the Plant Research Laboratory at Burnley, and on 90 sets of demonstration plots located on private farms throughout the State.
- (ii) Conducting of Standard Herd Test of pure-bred cows, and fostering and subsidizing of Herd Testing Associations.
- (iii) Control and administration of the Government Cool Stores at Victoria Dock and of the Sugar Beet Factory at Maffra.

Department of Labour

Minister: Minister of Labour.

Permanent Head: The Secretary for Labour.

- (i) Compilation and publication of statistics of factories, shops, and industrial matters.

SUB-DEPARTMENTS OR OFFICES, COMMISSIONS,
BOARDS, AND OTHER AGENCIES

AGENCY AND MAJOR TYPE OF FUNCTION	CONTROLLING OR RESPONSIBLE MINISTER
(a) <i>Conservation and Development of Natural Resources and Economic Activity.</i>	
Board of Land and Works	Commissioner of Crown Lands and Survey, Commis- sioner for Public Works, and Min- ister of Trans- port.
Crown Lands Survey	Commissioner of Crown Lands and Survey.
Lands Classification Boards	Commissioner of Crown Lands and Survey.
Closer Settlement Commission	Commissioner of Crown Lands and Survey.
Tourist Resorts Committee	Commissioner of Crown Lands and Survey.
Country Roads Board	Commissioner for Public Works.
State Rivers and Water Supply Com- mission (in respect of developmental functions)	Minister of Water Supply.
Waterworks Trusts (in respect of devel- opmental functions)	Minister of Water Supply.
Sludge Abatement Board	Minister for Mines.
Railways Commissioners (in respect of developmental functions)	Minister of Trans- port.
State Coal Mine	Minister of Trans- port.
Railways Betterment Board	Minister of Trans- port.

Railway Construction Trusts	Minister of Transport.
Melbourne Harbour Trust Commissioners	Treasurer.
Geelong Harbour Trust Commissioners..	Treasurer.
Warrnambool Harbour Board	Commissioner for Public Works.
Forests Commission	Minister of Forests.
Bush Fire Brigades Committee	Minister of Forests.
Council of Agricultural Education	Minister for Agriculture.
Mildura Agricultural College Lands Board	Minister of Public Instruction.
Cool Stores Trust	Minister for Agriculture.
Fisheries and Game Department	Chief Secretary.
State Electricity Commission (in respect of developmental functions)	Minister in Charge of Electrical Undertakings.
State Savings Bank (in respect of developmental functions)	Treasurer.
First Mildura Irrigation Trust	Minister of Water Supply.
Trafalgar Meadows Drainage Trust ..	Minister of Water Supply.

(b) *Direct Public Utility Service.*

State Rivers and Water Supply Commission (in respect of water supply service to country consumers)	Minister of Water Supply.
Railways Commissioners (in respect of transportation service to the public)..	Minister of Transport.
State Electricity Commission (in respect of light, power, and briquette service to the public)	Minister in Charge of Electrical Undertakings.
State Savings Bank (in respect of Savings Bank service to the public) ..	Treasurer.
Waterworks Trusts (in respect of water supply service, mainly for domestic purposes, in country districts)	Minister of Water Supply.
Melbourne and Metropolitan Tramways Board	Commissioner for Public Works.
Metropolitan Fire Brigades Board	Chief Secretary.
Country Fire Brigades Board	Chief Secretary.
Country Sewerage Authorities (15) ..	Commissioners for Public Works.
Government Statist	Chief Secretary.
Melbourne and Metropolitan Board of Works	Commissioner for Public Works.

C. MINISTRANT AND SOCIAL SERVICE

MAJOR MINISTERIAL DEPARTMENTS PER SE

Department of the *Chief Secretary*

Minister: The Chief Secretary.

Permanent Head: The Under-Secretary.

- (i) Ministrant or social service functions of some nine Sub-Departments, Branches, Institutions, and of a number of Boards and Trustees (see classification below).

Department of the *Treasurer*

Minister: The Premier and Treasurer.

Permanent Head: The Director of Finance.

- (i) Administration of Hospitals and Charities Fund, on recommendation of Charities Board.
- (ii) Payments to sufferers from miners' phthisis, rail fares and freights for charitable institutions, and passes to incapacitated and blind soldiers.
- (iii) Administration of flood and bush fire relief through Premier's Office.
- (iv) Service to Government Departments through Government Printer.

Department of *Education*

Minister: Minister of Public Instruction.

Permanent Head: The Director of Education.

- (i) Establishment and maintenance of State Primary, Higher Elementary, High, Technical and Special Schools.
- (ii) Responsibility for efficient and regular instruction of all children between the ages of six and fourteen years.
- (iii) Provision for medical and dental treatment of children.
- (iv) Provision for award of scholarships of various kinds.
- (v) Training and examination of teachers.

Department of *Law*

Minister: Attorney-General and Solicitor-General.

Permanent Head: The Secretary.

- (i) Direct services rendered to the public by Clerks of Courts; Master-in-Equity (under Administration and Probate Act 1928 and Lunacy Act 1928); Curator of Estates of Deceased Persons; Public Solicitor (Poor Persons and Legal Assistance Act 1928); Registrar-General and Registrar of Titles.

Department of Lands and Survey

Minister: Commissioner of Crown Lands and Survey.

Permanent Head: The Secretary for Lands.

- (i) Under general aegis of the Commissioner of Crown Lands and Survey, the Farmers' Relief Board acts as a Trustee or Receiver as between a farmer and his creditors, on application by the farmer for protection.

Department of Public Works

Minister: Commissioner for Public Works.

Permanent Head: The Secretary.

- (i) Repairs, additions, and maintenance of Government building serving charitable or other welfare purposes.
- (ii) Payment of rents for public buildings and use of lands for similar purposes.

Department of Mines

Minister: Minister of Mines.

Permanent Head: The Secretary.

- (i) Assistance to unemployed (13,000 assisted with equipment and 8,000 with small mining advances since February, 1930).

Department of Public Health

Minister: Minister for Health.

Permanent Head: Chairman, Commission of Public Health.

- (i) Prevention, limitation and suppression of infectious and preventable diseases.
- (ii) Research and investigation concerning public health and prevention or treatment of disease.
- (iii) Publication of reports, information and advice concerning the public health and education of the public in the preservation of health.
- (iv) Advice and assistance to Municipal Councils in regard to matters affecting public health.

Department of Labour

Minister: Minister of Labour.

Permanent Head: The Secretary for Labour.

- (i) General supervision of welfare of employees in factories and shops, and publication of reports and pamphlets on methods for guarding against dangerous machinery and for ensuring safety of workmen.
- (ii) General supervision of operations of Sustenance Department which administers relief to the unemployed.

SUB-DEPARTMENTS OR OFFICES, COMMISSIONS,
BOARDS AND OTHER AGENCIES

AGENCY AND MAJOR TYPE OF FUNCTION	CONTROLLING OR RESPONSIBLE MINISTER
<i>(a) Ministrant.</i>	
Commissioner of Titles, Registrar-General and Registrar of Titles	Attorney-General.
Curator of Estates of Deceased Persons..	Attorney-General.
Master-in-Equity	Attorney-General.
Public Solicitor (Poor Persons' Legal Assistance)	Attorney-General.
Trustees Shrine of Remembrance	Premier, Treasurer and Commis- sioner C.L. & S.
Centenary Celebrations Council	Premier and Treasurer.
Government Printer	Treasurer.
<i>(b) General Welfare.</i>	
Children's Welfare Department	Chief Secretary.
Aborigines' Protection Board	Chief Secretary.
Trustees, Melbourne Sailors' Home ..	Chief Secretary.
Botanic Gardens	Commissioner of Crown Lands and Survey.
Trustees, Parks, and Reserves	Commissioner of Crown Lands and Survey.
Management Committees, Parks, and Reserves	Commissioner of Crown Lands and Survey.
Trustees, Sites of Public Halls	Commissioner of Crown Lands and Survey.
Trustees of Exhibition	Commissioner of Crown Lands and Survey.
Trustees of Cemeteries	Minister for Health.
<i>(c) Education.</i>	
University Council	Minister of Public Instruction.
Council of Public Education	Minister of Public Instruction.
Technical Schools and Schools of Mines Councils	Minister of Public Instruction.

State Schools Committees (Elementary, Intermediate, Secondary)	Minister of Public Instruction.
Travancore Special School	Chief Secretary.
Public Library, Museums, and National Gallery Trustees	Chief Secretary.
Trustees, Public Libraries (664)	Commissioners of Crown Lands and Survey (if Crown land granted under Crown Lands Act); Chief Secretary (if private land with Trust Deed under Libraries Act).
Observatory (Board of Visitors)	Chief Secretary.

(d) Health.

Department of Mental Hygiene	Chief Secretary.
Inebriates' Institution, Lara	Chief Secretary.
Heatherton Sanatorium	Minister for Health.
Queen's Memorial Infectious Diseases ..	Minister for Health.
Charities Board (in respect of subsidies to Hospitals)	Treasurer.

(e) Insurance, Compensation and Relief.

State Accident Insurance Office	Chief Secretary.
Mining Accident Relief Board	Minister for Mines.
Coal Miners' Accident Relief Board ..	Minister for Mines.
State Superannuation Board	Treasurer.
Police Superannuation Board	Chief Secretary.
Port Phillip Pilot Sick and Superannuation Board	Treasurer.
Farmers' Relief Board	Commissioner of Crown Lands and Survey.
Fruit Growers' Relief Committee	Minister for Agriculture.
Wheat Growers' Relief Board	Minister for Agriculture.
Employment Council (Advisory)	Premier.
State Relief Committee	Assistant Minister for Sustenance.
Charities Board (in respect of subsidies to benevolent societies and other charitable institutions)	Treasurer.
Sustenance Branch, Department of Labour	Minister for Labour.

TABLE III.

CLASSIFICATION OF COMMISSIONS, BOARDS AND OTHER AGENCIES OF ADMINISTRATION
ACCORDING TO TITULAR DESCRIPTION, NUMBER OF MEMBERS, SIZE OF STAFF, AND
CONTROLLING OR RESPONSIBLE MINISTER

COMMISSIONS

AGENCY	Members	Employed Staff			Controlling or Responsible Minister
		Administrative (Professional and Clerical)	Other Employees	Total	
Railways	3,627	17,628	21,255	Minister of Transport
Public Service	7	—	7	Chief Secretary
Police	115	2,205	2,320	"
Health	50	100	150	Minister of Health
State Rivers and Water Supply	..	120	245	365	Minister of Water Supply
Closer Settlement	No	Independent Staff		Commissioner of Crown Lands and Survey
Forests	174	500 to 1,750 (under Award). 150 to 4,500 relief workers up to 12 weeks (Not under Award.)		Minister of Forests
State Electricity	902	497	1,399	Minister in Charge of Electrical Undertakings
State Savings Bank	..	1,389	—	1,389	Treasurer

COMMISSIONS—Continued

AGENCY	Members	Employed Staff			Controlling or Responsible Minister
		Administrative (Professional and Clerical)	Other Employees	Total	
Apprenticeship	5	3	(Utilizes services of Inspector of Factories when required)	3	Minister of Labour
Accident Insurance	1	14	—	14	Chief Secretary

BOARDS

(a) Public Works Conservation and Development, Land and Works	8 2 to 3	No Independent Staff "	No Independent Staff "		Commissioner for Public Works Commissioner of Crown Lands and Survey
Country Roads	3	132	2,680	2,812	Commissioner for Public Works
Melbourne and Metropolitan Board of Works	40	523	1,073	1,596	" "
Warrnambool Harbour	7	1	2	3	" "
Sluice Abatement	3	1 (P.S.)	No Independent Staff		Minister for Mines
Mildura Agric. College Lands	3	No Independent Staff	No Independent Staff		Minister of Public Instruction

BOARDS—Continued

AGENCY	Members	Employed Staff			Controlling or Responsible Minister
		Administrative (Professional and Clerical)	Other Employees	Total	
(b) Public Utility Service.					
Melb. and Metro. Tramways	7	620	3,822	4,442	Commissioner for Public Works
Metropolitan Fire Brigades ..	9	12	296 Officers & Men 165 Partially paid 65 Specially paid 70 Workshops 14 Clothing Fcty. 17 Fully paid	610	Chief Secretary
Country Fire Brigades ..	9	6	60 Partially paid 2,757 Volunteers	2,834	Chief Secretary
Grain Elevators ..	3	(In process of being established)			Minister for Agriculture
(c) Social Service.					
Charities ..	14	5	—	5	Treasurer
Aborigines Protection ..	7	No	Independent Staff		Chief Secretary
Farmers' Relief ..	3	7	—	7	Commissioner of Crown Lands and Survey
Wheat Growers' Relief ..	4	No	Independent Staff		Minister of Agriculture
Mining Accident Relief ..	8	"	"	"	Minister of Mines
Coal Miners' Accident Relief ..	6	"	"	"	" "
Heatherton Sanatorium (Board of Management) ..	6	4	36	40	Minister of Health
Queen's Memorial Infectious Diseases ..	12	220	125	345	" "
Visitors' Observatory ..	6	No	Independent Staff		Chief Secretary

BOARDS—Continued

AGENCY	Members	Employed Staff			Controlling or Responsible Minister
		Administrative (Professional and Clerical)	Other Employees	Total	
(d) Regulation of Economic Activity.					
Dairy Produce	7	No	Independent Staff		Minister for Agriculture
Dairy Produce Advisory (Commonwealth)	5	4	—	4	"
Dried Fruits	6	7	—	7	"
Milk	3	15	—	15	"
Street Traders' Licences	6	No	Independent Staff		Chief Secretary
Licences Reduction	3	5	—	5	"
Racecourse Licences	3	No	Independent Staff		"
Transport Regulation	3	36	12	48	"
			Police (Attached)		
(e) Professional and Occupational Standards.					
Architects' Registration	7	No	Independent Staff		Commissioner for Public Works
Dental	7	"	"	"	Chief Secretary
Pharmacy	6	"	"	"	"
Medical	9	"	"	"	Minister of Health
Massesurs Registration	6	"	"	"	"
Midwives Registration Board	7	4	—	4	"
Nurses Registration	7	No	Independent Staff		Minister for Agriculture
Veterinary	3	"	"	"	Attorney-General
Companies' Auditors	3	"	"	"	

BOARDS—Continued

AGENCY	Members	Employed Staff			Controlling or Responsible Minister
		Administrative (Professional and Clerical)	Other Employees	Total	
Municipal Auditors ..	3	No	Independent Staff		Commissioner for Public Works
Municipal Clerks ..	3	"	"	"	"
Municipal Surveyors ..	3	"	"	"	"
Land Surveyors ..	6	"	"	"	Commissioner of Crown Lands and Survey
Mining Surveyors ..	5	"	"	"	Minister for Mines
Metalliferous Mine Managers ..	3	"	"	"	"
Examination of Engine Drivers	4	"	"	"	"
Marine ..	12	"	"	"	Commissioner for Public Works
Plumbers' Registration ..	5	"	"	"	Minister of Health
Coal Miners' Managers ..	3	"	"	"	Minister for Mines
Engineers of Water Supply ..	3	"	"	"	Minister of Water Supply
Cinematograph Operators Registration ..	3	"	"	"	Minister of Health
Internal Administration.	3	"	"	"	Chief Secretary
Police Commendatory Entry	3	"	"	"	"
Police Medical ..	3	"	"	"	"
Police Theoretical Exams. ..	3	"	"	"	"
Police Practical Exams. ..	3	"	"	"	"
Police Promotion ..	3	"	"	"	"
Police Appeal ..	3	"	"	"	"
Police Superannuation ..	3	"	"	"	"
Railways Selectors ..	3	"	"	"	Minister of Transport
Railway Staff ..	3	"	"	"	"

(f)

BOARDS—Continued

AGENCY	Members	Employed Staff			Controlling or Responsible Minister
		Administrative (Professional and Clerical)	Other Employees	Total	
Railways Classification ..	5	No Independent Staff			Minister of Transport
Railways Discipline ..	3	"	"	"	"
Railways Betterment ..	3	"	"	"	"
Port Phillip Pilot Sickness and Superannuation ..	3	"	"	"	Commissioner for Public Works
Tramway Appeal ..	3	"	"	"	"
State Superannuation ..	4	5	—	5	"
Tender ..	5	3	—	3	"
(g) Regulation of Employment and Wages.					"
Wages Boards (181) ..	6 to 10	No Independent Staff			Minister of Labour
(h) Judicial.		"	"	"	Chief Secretary
Indeterminate Sentences ..	3				

COUNCILS

(a) Educational.	11	18	56	74	Minister for Agriculture
Agricultural Education ..	20	No Independent Staff			Minister of Public Instruction
Public Education ..	31	{ Administrative 53	107	436	"
University ..		{ Teaching 276			"

COUNCILS—Continued

AGENCY	Members	Employed Staff			Controlling or Responsible Minister
		Administrative (Professional and Clerical)	Other Employees	Total	
Technical Schools and Schools of Mines	6 to 35	406	—	406	Minister of Public Instruction
(b) Miscellaneous, Centenary Celebrations	21	About 12	Variable	Variable	Premier and Treasurer
Employment Council of Victoria	10	No	Independent Staff		Premier

COMMITTEES

(a) Internal Administration.	3	No	Independent Staff	Minister of Public Instruction
Classifiers, Secondary Schools	3	"	"	" " "
Classifiers, Primary Schools	Varying	"	"	" " "
State Schools (Elementary, Intermediate and Secondary)	3	"	"	Minister for Agriculture
Fruit Growers' Reliefs	7	"	"	Minister of Forests
Bush Fire Brigade	9	"	"	Assist. Minister for Sustenance
State Relief	10	20	30	Commissioner for Public Works
Miscellaneous Services, Motor Omnibus Advisory	5	No	Independent Staff	Commissioner of Crown Lands and Survey
Tourist Resorts	4	Small	Caretaking Staff	"
Management, Parks and Reserves (Various)	3 to 9	"	Independent Staff	Minister of Health
Food Standards	9	No	Independent Staff	

TRUSTS

AGENCY	Members	Employed Staff		Controlling or Responsible Minister
		Administrative (Professional and Clerical)	Other Employees	
Cool Stores .. .. .	.. .. .			Minister for Agriculture
Waterworks (125—mostly Local Governing—including 81 with Government Nominees)* ..	3 to 6	Usually 1 or 2 except where larger in Provincial Cities.		Minister of Water Supply
Trafalgar Meadows Drainage Trust	20-8 Advy.		Under 6	" " "
Melbourne Harbour	5			Treasurer
Geelong Harbour	3	4	—	"

*A few of these water supply authorities have other titles than **Waterworks Trust**, e.g., **Ballarat Water Commission**, **Geelong Water and Sewerage Trust**, **Clunes Water Commission**, **First Mildura Irrigation Trust**, **Mildura Urban Water Trust**. Where a Municipal Council is appointed under the Water Act to manage the water supply of the district as one of the ordinary functions of the council, it is referred to as a Water Supply District, instead of Waterworks Trust. There are 14 such Water Supply Districts embraced in the 125 Authorities mentioned in the Table. In practically all cases of water supply authorities the members are known as Commissioners.

T R U S T E E S

AGENCY	Members	Employed Staff			Controlling or Responsible Minister
		Administrative (Professional and Clerical)	Other Employees	Total	
Cemeteries (Various)	3 to 8			Minister of Health
Parks and Reserves (4)	16			Commissioner of Crown Lands and Survey
Sites for Public Halls, etc. (Various)	3 to 9			" "
Public Libraries, etc. (664)	3 to 5			Chief Secretary
Public Library, Museums and National Gallery	15 to 18			" "
Exhibition	7		74	Commissioner of Crown Lands and Survey
Melbourne Sailors' Home	9		1	Chief Secretary
Shrine of Remembrance	10	Variable	Variable	Premier, Treasurer and Commissioner of Crown Lands and Survey

The nine Sewerage Authorities listed represent a sampling of 15 such Authorities so far constituted.

A U T H O R I T I E S

	Permanent	Temporary	Minister of Water Supply
Ballarat Sewerage	7	41	95
Geelong Sewerage	5	33	66
Bendigo Sewerage	9	8	25
Colac Sewerage	7	—	5
Echuca Sewerage	10	1	6
Horsham Sewerage	10	—	3
Mildura Sewerage	9	—	1
Swan Hill Sewerage	6	—	6
Warrnambool Sewerage ..	12	—	16

TRIBUNALS

AGENCY	Members	Employed Staff			Controlling or Responsible Minister
		Administrative (Professional and Clerical)	Other Employees	Total	
State Coal Mine Industrial	..	No Independent Staff			Minister of Transport

COURTS

Supreme ..	..	Justices of Supreme Court ..			Attorney-General
General Sessions ..	..	County Court Judges ..			" "
County ..	..	C.P.S. Magistrates ..			" "
Petty Sessions ..	..	Children's Magistrates ..			" "
Police Courts ..	..	C.P.S. Magistrates ..			Chief Secretary
Children's ..	..	1 Supreme Court Judge ..			Minister of Labour
Revision (Electoral) ..	..	3	1	1	Commissioner of Public Works
Disputed Returns ..	..	4	No Independent Staff	4	Attorney-General
Industrial Appeals ..	..	1	" "	"	Chief Secretary
Marine Enquiry (A Magistrate and 3 Assessors) ..	..	3	4	1	
Mines (One for each of six Districts) ..	..	1	" "	"	
Licensing ..	..	3	4	4	

OTHER AGENCIES

Weights and Measures Unions	3 to 14	Staffs Loaned by Municipal Councils	Chief Secretary
(Various)	Mngrs. 1		" "
Censor of Films ..	..	No Independent Staff	" "

TABLE IV.

CLASSIFICATION OF MAJOR COMMISSIONS, BOARDS, ETC.

According as their Members are

A.—NON-REPRESENTATIVE OF INTERESTS

B.—WHOLLY OR PARTIALLY REPRESENTATIVE OF INTERESTS

Indicating Members' (a) Qualifications, (b) Terms of Tenure, (c) Recruitment and Training.

A.—NON-REPRESENTATIVE OF INTERESTS

AGENCY (Number of Members in Brackets)	MEMBERS			RECRUITMENT AND TRAINING Inside or Outside Public Service
	QUALIFICATIONS	TERMS OF TENURE		
A. Constituent and Regulatory. Chief Commissioner of Police (1)	Professional	5 years (full time), £1500 p.a.		Public Service
Licences Reduction Board (3)	1. Professional (Legal) 2. Administrative (Public Service)	Each three years Chairman, £1000 p.a. Others, £900 p.a.		2 from P.S. 1 outside P.S.
Milk Board (3)	Technical and Business	Chairman, 5 years (whole time), £1000 p.a. Others 3 years (part time) Fees, £3/3/- per day		Chairman P.S. 2 outside P.S.

A.—NON-REPRESENTATIVE OF INTERESTS—Continued

AGENCY (Number of Members in Brackets)	MEMBERS			RECRUITMENT AND TRAINING Inside or Outside Public Service
	QUALIFICATIONS	TERMS OF TENURE		
Public Service Commissioner (1)	Professional	Seven years (whole time), £1500 p.a.		Public Service
B. Developmental, Public Utility and Minisrtrant, Railways Commissioners (3)	Professional	Chairman, 5 years (full time), £5000 p.a. Others, 7 years (full time), £1750 p.a.		2 from Railway Service 4 from outside R.S.
State Electricity Commission (3)	Technical, Financial and Administrative	Chairman, 7 years (full time), £2100 p.a. Others, 7 years (part time), £250 p.a.		Outside P.S.
State Rivers and Water Supply Commission (3)	Technical and Administrative	Chairman, 5 years (full time), £1250 p.a. Others, 5 years (full time), £1000 p.a.		Mostly in P.S.

A.—NON-REPRESENTATIVE OF INTERESTS—Continued

MEMBERS			
AGENCY (Number of Members in Brackets)	QUALIFICATIONS	TERMS OF TENURE	RECRUITMENT AND TRAINING Inside or Outside Public Service
Closer Settlement Commission (5)	Professional, Financial and Technical	Chairman, 5 years (full time), £2000 p.a. 2 Members, 5 years (full time), £1100 each p.a. 2 Members, 5 years (part time), £350 p.a.	2 in P.S. 3 outside P.S.
Country Roads Board (3)	Technical and Administrative	Chairman, 5 years (full time), £1550 p.a. Others, 5 years (full time), £1200 p.a.	2 from Local Govt Services 1 from outside P.S. (Sec of Bd. before appoint- ment)
Forests Commission (3)	Professional	Chairman, 5 years (full time), £1000 p.a. Others, 5 years (full time), £800 p.a.	2 in P.S. 1 outside P.S.
Commissioners of State Savings Bank of Vic- toria (5)	Business Training, Ability, and Knowledge	Chairman for life (part time), £1000 p.a. Others for life (part time), £500 p.a.	All outside P.S.

A.—NON-REPRESENTATIVE OF INTERESTS—Continued

AGENCY (Number of Members in Brackets)	MEMBERS		
	QUALIFICATIONS	TERMS OF TENURE	RECRUITMENT AND TRAINING Inside or Outside Public Service
Insurance Commissioner, State Accident Insurance Office (1)	Professional	Insurance Commissioner for life (full time), £1100 p.a.	Outside P.S.
Geelong Harbour Trust (3)	All Commissioners appointed by G.-in-C.	Chairman, 5 years, £400 p.a. 1 Member, 4 years, £200 p.a. 1 Member, 3 years (All part time)	All Outside P.S.

B.—WHOLLY OR PARTIALLY REPRESENTATIVE OF INTERESTS

A. Constituent and Regulatory. Dairy Products Board (6) (Associated with Commonwealth Dairy Products Export Board)	1 represents Dept of Agric. 1 represents Co-op. Butter and Cheese Factories 1 represents Pty Butter and Cheese Factories 1 represents Dairy Farmers 1 represents Consumers	All 3 years (part time), £2/2/- per sitting	1 in P.S. 4 outside P.S.
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B.—WHOLLY OR PARTIALLY REPRESENTATIVE OF INTERESTS—Continued

AGENCY (Number of Members in Brackets)	MEMBERS		
	QUALIFICATIONS	TERMS OF TENURE	RECRUITMENT AND TRAINING Inside or Outside Public Service
Dairy Produce Board (7)	3 represent Dept of Agric. 1 represents Co-op. Butter and Cheese Factories 1 represents Pty Butter and Cheese Factories 1 represents Butter and Cheese Factory Managers and Sec- retaries 1 represents Vic. Dairymen's Association	All 3 years (part time)	3 in P.S. 4 outside P.S.
Dried Fruits Board (6)	Chairman and Member Govt Appointees 4 Members elected by Growers	Chairman (full time) Others (part time) £60 p.a.	Outside P.S.
Transport Regulation Board (3)	Chairman—Professional (Legal) 1 represents Primary Producers 1 represents Country Interests	All 3 years (technically not full time) Chairman, £1250 p.a. Others, £800 p.a.	All outside P.S.

B.—WHOLLY OR PARTIALLY REPRESENTATIVE OF INTERESTS—Continued

MEMBERS			
AGENCY (Number of Members in Brackets)	QUALIFICATIONS	TERMS OF TENURE	RECRUITMENT AND TRAINING Inside or Outside Public Service
Apprenticeship Commission (5)	Technical—Chairman reps. the Govt; 2 reps. Employers (nominated by Vic. Chamber of Manufacturers). 2 reps. Employees (nominated by Trades Hall Council)	All 3 years President (part time), £150 p.a. Others honorary service	1 in P.S. 4 outside P.S.
181 Wages Boards (6 to 10) (affecting about 182,000 Employees)	Chairman usually Magistrate or other Independent Person Other Members equally reps. Employers and Employees	All 3 years (part time) Chairman, £1 per sitting Others, £1 per sitting	Usually outside P.S.
B. Developmental and Public Utility. Melbourne and Metropoli- tan Board of Works (4)	Chairman, Professional (elected by other Members) Others elected by Metropolitan Councils from their Members	Chairman, 4 years (full time), £1500 p.a. Others, 3 years (part time), no remuneration	Chairman train- ed in Board Others outside P.S.

B.—WHOLLY OR PARTIALLY REPRESENTATIVE OF INTERESTS—Continued

MEMBERS			
AGENCY (Number of Members in Brackets)	QUALIFICATIONS	TERMS OF TENURE	RECRUITMENT AND TRAINING Inside or Outside Public Service
Melbourne Harbour Trust (5)	Chairman represents Govt 1 Member Shipowner 1 Member Exporter of Vic. Produce 1 Member Importer of Goods into Vic. 1 Member identified with Primary Production in Vic.	Chairman, for life (full time) £1500 p.a. Others, for life (part time), £250 p.a.	Chairman in P.S. Others outside P.S.
Warrnambool Harbour Board (7)	1 Member appointed by G.- in-C. 2 Members represent City of Warrnambool 4 Members rep. 4 Subdivisions of Harbour Board District	G.-in-C. appointee, 5 years Others 3 years (all part time) Remuneration what Board may approve	All outside P.S.

B.—WHOLLY OR PARTIALLY REPRESENTATIVE OF INTERESTS—Continued

MEMBERS

AGENCY (Number of Members in Brackets)	QUALIFICATIONS	TERMS OF TENURE	RECRUITMENT AND TRAINING Inside or Outside Public Service
Melbourne and Metropolitan Tramways Board (7)	Chairman, previously Chairman Prahlan and Malvern Tram- ways Trust 3 Members were Members of former Tramways Trusts 1 Member was Lord Mayor of Melbourne at time of ap- pointment 1 Member was Mayor of Prah- ran at time of appointment 1 Member had been a Minister of Crown and Member of a Traffic Commission on Tram- way Fares	Chairman, 1 year (full time), £1500 p.a. Others, for life (part time), £225 p.a.	All outside P.S.
Metropolitan Fire Brigades Board (9)	3 elected by Insurance Cos doing business in Metro. area 1 elected by Melb. City Council 1 elected by Municipalities south of Yarra 1 elected by Municipalities north of Yarra 3 Government Nominees (Chair- man elected by Board)	2 years—all service voluntary	All outside P.S.

B.—WHOLLY OR PARTIALLY REPRESENTATIVE OF INTERESTS—Continued

MEMBERS			
AGENCY (Number of Members in Brackets)	QUALIFICATIONS	TERMS OF TENURE	RECRUITMENT AND TRAINING Inside or Outside Public Service
Country Fire Brigades Board (9)	2 elected by Insurance Companies doing business over whole State	2 years—paid travelling expenses only	All outside P.S.
	2 by Municipalities		
	2 elected by Volunteer Firemen		
	3 Government Nominees (Chairman elected by Board)		
Council of Agricultural Education (11)	3 Trustees appointed by G.-in-C.	Elected Members, 3 years (part time), travelling expenses Others during pleasure of G.-in-C. (part time), travelling expenses	Treasurer from P.S. Others from outside P.S.
	2 Members appointed by G.-in-C.		
	5 Members elected triennially by Members of Agricultural Societies subscribing not less than 10/- p.a. Director of Agriculture as Treasurer		

B.—WHOLLY OR PARTIALLY REPRESENTATIVE OF INTERESTS—Continued

AGENCY (Number of Members in Brackets)	MEMBERS.			RECRUITMENT AND TRAINING Inside or Outside Public Service
	QUALIFICATIONS	TERMS OF TENURE		
C. Ministrant and Social Service. Farmers Relief Board (3)	Chairman reps. Government 1 nominated by Melbourne Chamber of Commerce 1 nominated by Chamber of Agriculture,	Chairman, 3 years (full time), £900 p.a. Others (part time), £2/2/- per sitting		1 in P.S. 2 outside P.S.
Council of Public Education (20)	President and 3 Members reps. Education Department 4 reps. Registered Schools 3 reps. University 1 reps. Education in Music 3 reps. Technical Education 5 reps. Industrial Interests and Agriculture	All 3 years (part time), services honorary		4 in P.S. Others outside

B.—WHOLLY OR PARTIALLY REPRESENTATIVE OF INTERESTS—Continued

AGENCY (Number of Members in Brackets)	MEMBERS		
	QUALIFICATIONS	TERMS OF TENURE	RECRUITMENT AND TRAINING Inside or Outside Public Service
University Council (31)	(a) 8 Members appointed by G.-in-C. of whom— (i) 1 a Member of Legislative Council (ii) 2 Members of Legislative Assembly (iii) 1 manufacturing and commercial interests (iv) 1 Agricultural Interests (v) 2 Industrial Interests (vi) 1 elected by Councils of Technical Schools (b) 10 elected by Convocation (c) 3 elected by Professors (d) 1 elected by Teaching Staff other than Professors (e) 2 elected by Undergraduates (f) Director of Education, Chairman of Council of Agricultural Education, and President of Prof. Board, ex officio (g) 2 heads of affiliated Colleges co-opted (h) 2 others co-opted	For 4 years (part time) All Members unpaid	2 trained in P.S. Others outside

B.—WHOLLY OR PARTIALLY REPRESENTATIVE OF INTERESTS—Continued

MEMBERS			RECRUITMENT AND TRAINING Inside or Outside Public Service
AGENCY (Number of Members in Brackets)	QUALIFICATIONS	TERMS OF TENURE	
Commission of Public Health (7)	Chairman is Chief Health Officer Others representative of Medical Profession and Municipalities	Chairman (full time), £1000 p.a. Others for 3 years (part time), £2/2/- per meeting, plus travelling expenses for coun- try Members. Limit £120 p.a.	Chairman in P.S. Others outside P.S.
Charities Board (14)	4 nominated by Metropolitan Hospitals Assn., 1 at least a qualified Medical Practitioner 4 nominated by Country Hos- pitals Assn., 1 at least a quali- fied Medical Practitioner 2 appointed from Nominees of Committees of subsidized In- stitutions and Benevolent Societies, within the Metro- politan and other Hospitals, 1 at least a woman 2 appointed by G.-in-C.	All Members 4 years (part time), Half of each class retire every 2 years Travelling expenses	All from outside P.S.
State Superannuation Board (4)	Chairman reps. Government 1. An Actuary (the Govern- ment Statist) 1. First elected by Rly. Officers 1. First elected by all other Officers	All 5 years (part time), Chairman, £100 p.a. Others £75 p.a.	All from P.S. (not obligatory for non-elect- ed Members)

TABLE V

CLASSIFICATION OF MAJOR COMMISSIONS, BOARDS,
ETC., ACCORDING TO FORMAL RELATIONSHIPS TO
PUBLIC SERVICE COMMISSIONER, MINISTER,
GOVERNOR-IN-COUNCIL AND PARLIAMENT

STAFFING,

(a) *Staff Appointments Entirely Subject to Public Service
Act and Public Service Commissioner*

Licences Reduction Board.

Milk Board.

Public Service Commissioner.

Closer Settlement Commission.

Staff loaned by Secretary
for Lands.

Apprenticeship Commission.

Staff loaned by Secretary for
Labour.

Commission of Public Health.

State Superannuation Board.

Insurance Commissioner.

(b) *Staff Appointments in Part Subject to Public Service
Act and Public Service Commissioner*

Council of Agricultural Edu- Clerical staff loaned by Direc-
cation tor of Agriculture.

Chief Commissioner of Police Clerical staff subject to P.S.C.
Some on loan from Railway
Department. Full control
of Police staff.

Country Roads Board Some officers subject to P.S.C.
Others appointed indepen-
dently by Board.

Farmers' Relief Board Secretary appointed by Gov-
ernor-in-Council. Other staff
loaned by various depart-
ments.

Wheat Farmers' Relief Board Staff loaned by Department of
Agriculture.

(c) *Independent Responsibility for Staff Appointments,
Subject to Minister's or Governor-in-Council's Sanction
or Veto*

Transport Regulation Board

State Rivers and Water

Supply Commission

Minister's authority for all in-
crements and for all appoint-
ments exceeding £250 p.a.

Charities Board	Inspector of Charities appointed by Governor-in-Council for term not exceeding five years and not subject to P.S.C. Other staff appointed by Board, subject to approval by Governor-in-Council.
Dairy Products Board	Minister approves appointments.
Dried Fruits Board	Minister approves appointments.
Railways Commissioners . .	Minister's approval required in inviting application for permanent appointments. Governor-in-Council's sanction for appointment of "persons of known ability" and for increments and to offices above £500 p.a.
Council of Agricultural Education	Council appoints Principals and Lecturers at Colleges, and through them, other employees.

(d) Independent Responsibility for Staff Appointments, Not Subject to Minister's or Governor-in-Council's Sanction or Veto

State Electricity Commission.
 Forests Commission.
 Commissioners of State Savings Bank.
 Melbourne and Metropolitan Board of Works.
 Melbourne Harbour Trust Commissioners.
 Melbourne and Metropolitan Tramways Board. (Salaries over £1,000 require approval of Governor-in-Council.)
 Wages Board.
 University Council.

GENERAL EXPENDITURE

All subject to Audit by Auditor-General

(a) Expenditure Completely Limited by Annual Parliamentary Appropriation

Chief Commissioner of Police.
 Railways Commissioners.
 Dried Fruits Board.
 Public Service Commissioner.
 State Rivers and Water Supply Commission.

Closer Settlement Commission.
 Apprenticeship Commission.
 Council of Agricultural Education.
 Commission of Public Health.
 State Superannuation Board. (In respect of administration only.)
 Transport Regulation Board.
 Farmers' Relief Board.

(b) *Expenditure Not Completely Limited by Annual Parliamentary Appropriation*

Licences Reduction Board .. All expenses a charge on Licensing Fund.
 State Electricity Commission All expenses from loan moneys when appropriated and from Electricity and Briquette sales.
 Country Roads Board All expenses limited by revenues, mainly fees and fines under Motor Car Act.
 Forests Commission Some expenses met from revenues constituting Forestry Fund.
 Charities Board All expenditure a charge on "The Hospitals and Charities Fund", composed of funds appropriated by Parliament and other moneys.
 University Council All expenditure met from annual appropriation by Parliament, and from University fees and receipts from private endowments.
 Insurance Commissioner.
 Milk Board Financed from special trust funds.
 Dairy Products Board Financed from special trust funds.

(c) *Minister's or Governor-in-Council's Approval Required for Expenditure Above a Maximum Amount*

Commissions, Boards, etc., subject to the general restrictions on Governmental Purchasing (see Clauses 4, 22 and 23 attached)

Chief Commissioner of Police.
 Milk Board.

Dairy Products Board.

Dried Fruits Board.

Public Service Commissioner.

Railways Commissioners .. Except as regards works of construction.

State Electricity Commission Except as regards purchase of goods or in connection with the Commission's General Store at Yallourn.

State Rivers and Water Supply Commission.

Closer Settlement Commission Minister may also veto any advance to settlers.

Country Roads Board Contracts exceeding £1,000 require Minister's approval. Governor-in-Council approves expenditure on permanent improvements, developmental roads and State highways.

Forests Commission.

Apprenticeship Commission.

Council of Agricultural Education.

Commission of Public Health Except as regards infectious and contagious diseases, and other matters of urgency under the Health Act.

Charities Board Board has only recommendatory functions with respect to allocations from "The Hospitals and Charities Fund".

State Superannuation Fund. Administrative expenses subject to review by Treasurer.

Transport Regulation Board.

Farmers' Relief Board.

Commissions and Boards with Special Financial Relationships to Minister, Governor-in-Council, or Parliament

Railways Commissioners .. Minister has powers to enforce adoption of any scheme for increasing or decreasing expenditure, or for carrying out any matter of general policy. Differences of opinion finally determined by Gov-

		ernor-in-Council. Minister must sanction provision for additional accommodation, rolling stock, etc.
Forests Commission	.. ..	Minister may require Commission to propose scheme for effecting an increase or decrease of expenditure, or for carrying out any matter of general policy, and direct carrying out of such scheme.
Melbourne and Metropolitan Tramways Board	.. ..	Extensions £20,000 or less require approval of Governor-in-Council. In excess of £20,000 an Act of Parliament, except for conversion of existing cable tramways.
State Rivers and Water Supply Commission	.. ..	As in case of Forests Commission.

(d) Minister's or Governor-in-Council's Approval Not Required for Expenditure

Licences Reduction Board.
 Commissioners of State Savings Bank.
 Wages Board.
 Melbourne and Metropolitan Board of Works.
 Melbourne Harbour Trust Commissioners.
 Geelong Harbour Trust Commissioners.
 Warrnambool Harbour Board.
 Metropolitan Fire Brigades Board.
 Country Fire Brigades Board.
 Public Health Commission. (As regards infectious and contagious diseases, and other matters of urgency under Health Act.)
 University Council.
 State Electricity Commission. (As regards purchase of goods or in connection with Commission's General Store at Yallourn.)
 Insurance Commissioner.

(e) Borrowing Subject to Approval of Governor-in-Council

Melbourne and Metropolitan Board of Works.
 Melbourne and Metropolitan Tramways Board.
 State Savings Bank.
 Melbourne Harbour Trust.
 Geelong Harbour Trust.

ROUTINE ADMINISTRATION

(a) *Special Ministerial Sanction Required for Certain Administrative Acts*

Specific sanction by the appropriate Minister is required with respect to granting of leave of absence, disciplinary measures, and filling of vacancies in all cases of officers subject to the provisions of the Public Service Act.

Other Sanctions Required

- | | |
|---|---|
| Railways Commissioners .. | Governor-in-Council may direct a formal investigation into accidents if considered expedient by Minister. By-laws (inc. fares and freights) require confirmation by Governor-in-Council. No alternation of running of Sunday trains without consent of Governor-in-Council. |
| Melbourne and Metropolitan Tramways Board | By-laws (inc. fares) require confirmation by Governor-in-Council. |
| Closer Settlement Commission | Commission makes recommendations to Minister for submission to Governor-in-Council in respect of certain uses of Crown lands. Minister has jurisdiction in respect of other uses of Crown lands, and in provision for intending settlers. |
| Country Roads Board | Generally independent, but subject to special Ministerial disallowance of Board's decisions on appeal by any Municipality. |
| Council of Agricultural Education | Generally independent, but Minister may supersede Council in control of staff and administration. |

(b) *Independent Responsibility for Routine Administration*

Chief Commissioner of Police.
 Licences Reduction Board.
 Milk Board.

Dairy Products Board.
 Dried Fruits Board.
 Transport Regulation Board.
 Public Service Commissioner.
 State Electricity Commission.
 State Rivers and Water Supply Commission.
 Forests Commission.
 Commissioners of State Savings Bank.
 Apprenticeship Commission.
 Wages Board.
 Melbourne and Metropolitan Board of Works.
 Melbourne Harbour Trust Commissioners.
 Geelong Harbour Trust Commissioners.
 Warrnambool Harbour Board.
 Commission of Public Health.
 Farmers' Relief Board.
 Charities Board.
 State Superannuation Board.
 Metropolitan Fire Brigades Board.
 Country Fire Brigades Board.
 University Council.
 Railways Commissioners. (Except as noted above.)
 Melbourne and Metropolitan Tramways Board. (Except as noted above.)
 Closer Settlement Commission. (Except as noted above.)
 Council of Agricultural Education. (Except as noted above.)
 Insurance Commissioner.

GOVERNMENTAL PURCHASING

Clause 22 of Regulations respecting Public Accounts—

"All contracts entered into on behalf of the Government and all Orders in Council authorizing the construction of any public works without contract shall be published in abstract in the Government Gazette as early as practicable. . . ."

Clause 4—Stores and Transport Regulations—

"The Head of any Department may authorize the purchase of stores or material not included in contracts to the value of £5. When the expenditure involved exceeds that amount, three or more quotations shall be obtained when practicable, and a requisition shall be submitted to the Minister, and, if approved by him, transmitted to the Board, which will, if it considers the stores and material asked for are necessary and suitable, give a direction as to purchase. Should, however, the Board be of the opinion that the stores and material

asked for are unnecessary or unsuitable, it will submit the requisition to the Treasurer for his decision."

..Clause 23 of Regulations respecting Public Accounts—

"Tenders shall be publicly invited and contracts taken for all works and for the supply of all goods, tools, materials, machinery, etc., the cost of which shall exceed the sum of one hundred pounds, unless the expenditure be specially authorized by the Governor-in-Council.

"The provisions of this clause shall not apply to:

- (a) The Railway Department except as regards works of construction.
- (b) The Public Health Department as regards infectious and contagious diseases, and other matters of urgency under the Health Act.
- (c) The Government Printing Office as regards expenditure on gum and printing ink.
- (d) The Mines Department as regards all parts, repairs and alterations of boring machines, drills, drilling tools, and batteries (testing plants).
- (e) All Departments as regards the purchase of goods, tools, materials, machinery, etc., in cases where the Tender Board has approved of the purchase after two or more quotations have been obtained.
- (f) The State Electricity Commission as regards the purchase of goods or in connexion with the Commission's General Store at Yallourn."

FORMULATION OF POLICY

(a) *Full Ministerial Control of Policy, on Advice of Executive Head*

State Rivers and Water Supply Commission. (Determined by Cabinet.)

Country Roads Board. (Executive Council control—through Minister—of most constructive projects of Board.)

Commission of Public Health. (Formulated by Minister on advice of Chairman.)

Charities Board. (Board's duties confined to reports and recommendations to Minister as to what charitable relief, what institutions, what sums of money, what legislation, what inquiries and what inspection should be considered.)

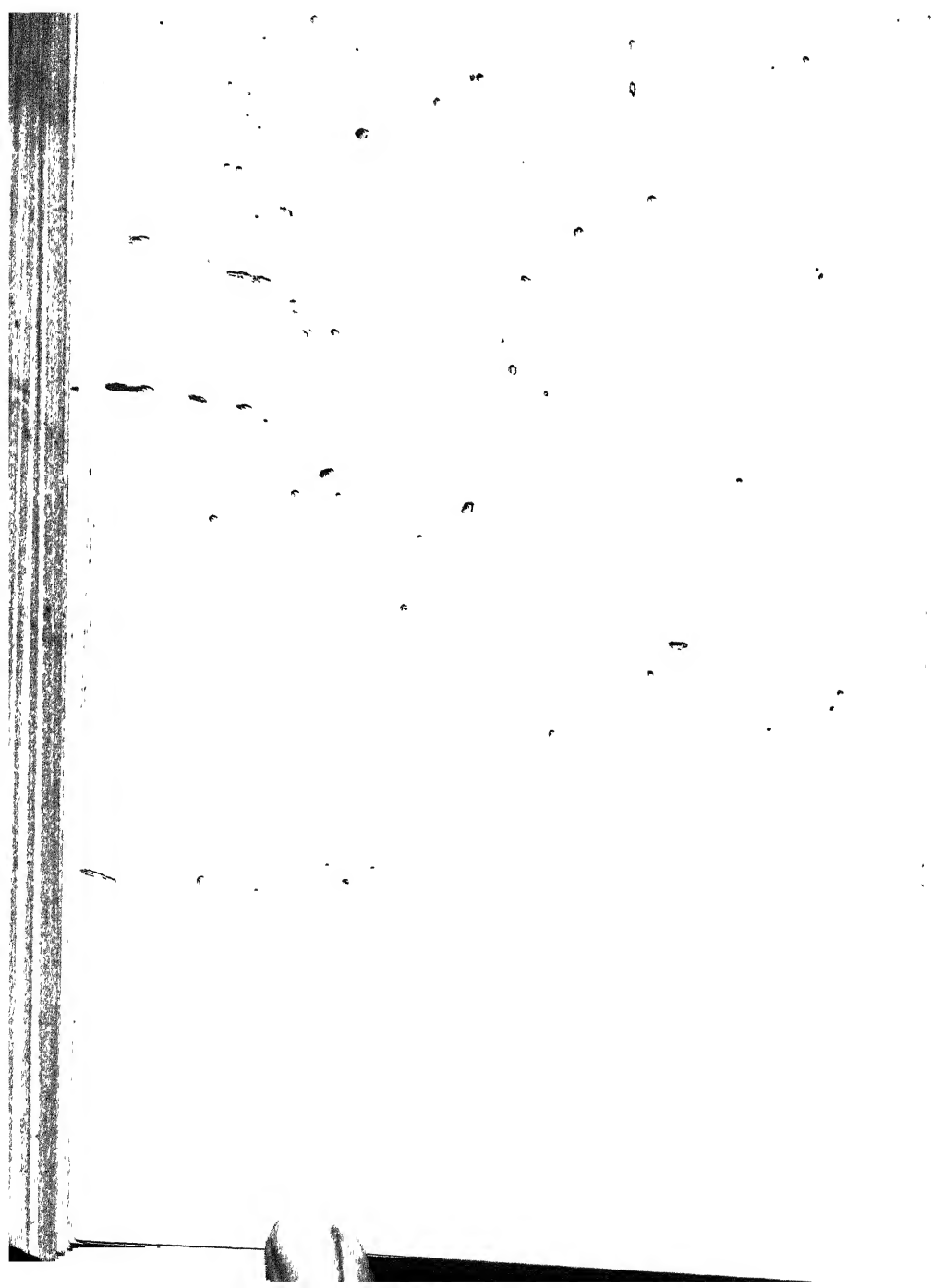
(b) *Independent Responsibility, Subject to Directions of Governor-in-Council, Ministerial Sanction, or Statutory Requirements*

Chief Commissioner of Police. (Subject to directions of Governor-in-Council.)

- Milk Board. (Subject to Ministerial veto.)
 Dairy Products Board.
 Dried Fruits Board.
 Railways Commissioners. (Generally independent, but subject to directions of Governor-in-Council, as noted above.)
 Closer Settlement Commission. (Minister may affect policy, but not initiate it, with regard to extension of settlement, areas and values of land to be granted, and amount of advances.)
 Commissioners of State Savings Bank. (Approval of Governor-in-Council in fixing any rate of interest on deposits above 4% p.a., credit foncier rate of interest and terms of debentures issued, rate of interest for advances, and rental rate per cent per annum paid by home purchasers.)
 Insurance Commissioner. (Independent within limits of Workers' Compensation Act.)
 State Superannuation Board. (Independent within limits of Superannuation Acts.)
 Council of Agricultural Education. (Generally independent, but Minister may supersede Council in control of policy.)

(c) *Full Independent Responsibility*

- Licences Reduction Board.
 Public Service Commissioner.
 State Electricity Commission.
 Forests Commission.
 Apprenticeship Commission.
 Wages Boards.
 Melbourne and Metropolitan Board of Works.
 Melbourne Harbour Trust Commissioners.
 Geelong Harbour Trust Commissioners.
 Warrnambool Harbour Trust.
 Melbourne and Metropolitan Tramways Board.
 Transport Regulation Board.
 Metropolitan Fire Brigades Board.
 Country Fire Brigades Board.
 University Council.
 Farmers' Relief Board. (Minister usually consulted.)



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